

PEOPLE  
Honda Says She

**MONDAY SPORTS**  
**LAKERS EVEN**  
See NBA, Page 16

# Herald Tribune

Published With The New York Times and The Washington Post  
PARIS, MONDAY, JUNE 20, 1988

ESTABLISHED 1887  
8:00 AM: 115 Paris, 115 Paris, 115 Paris...  
1:00 PM: 115 Paris, 115 Paris, 115 Paris...  
5:00 PM: 115 Paris, 115 Paris, 115 Paris...

## Pentagon Scandal Grew From a Call

**Stephen Engelberg**  
*New York Times Service*  
**WASHINGTON** — When a military procurement investigation began in September, there was little indication it would mushroom into the largest fraud investigation in Pentagon history. At the time, a former U.S. Army employee who had left government to work for a private contractor was telephoned by someone who wanted to sell inside information to the Pentagon, according to federal investigators. The caller was a consultant, of many people in the Washington area who use their

## 'Good Old Boys' Are Blamed

*The Associated Press*  
**WASHINGTON** — The reported bribery and fraud in Pentagon jobs-buying shows that the "good-old-boy network" in the Pentagon administration was more worried about winning huge defense appropriations than ensuring that the money was spent wisely, a senior legislator said Sunday. Senator Sam Nunn, a Georgia Democrat who is chairman of the Senate Armed Services Committee, said the Pentagon had had "a serious management problem" for a number of years. "We had people being selected for their ideological beliefs, for their salesmanship but not for good sound management," he said. Representative Les Aspin, a Wisconsin Democrat who is chairman of the House Armed Services Committee, agreed and added: "Surprising this hasn't happened before. You know, it's always advantageous to have (inside) information." Senator Charles E. Grassley, an Iowa Republican and a critic of Pentagon waste, blamed the affair on "the good-old-boy network." "It's an ethic within the Defense Department that breeds a kind of attitude among the defense industry, 'Catch us if you can.'"

## Focus on Lehman

*Washington Post Service*  
**WASHINGTON** — The investigation into allegations of "spread fraud and corruption" in Pentagon procurement turned up evidence that former Navy Secretary John F. Lehman Jr. may have learned of a probe and tipped off one of his under suspicion, according to law enforcement sources. The sources said questions about Mr. Lehman focus on whether he may have obstructed justice by warning his former assistant, Melvyn R. Paisley, now a defense consultant, that his activities might be the subject of a federal investigation. The reported warning occurred after both men had left government service, according to a source. Mr. Lehman and Mr. Paisley have been close associates for years. As an official of the Boeing Co., Mr. Paisley hired Mr. Lehman as a consultant. See LEHMAN, Page 4

## Klosk

**Cosia Agrees to Unity Talks**  
*ICOSIA (AP)* — President George Vassiliou of Cyprus agreed to meet with T. Denktash, the leader of breakaway Turkish Cypriots, to discuss reuniting the Mediterranean island, according to an official announcement published Sunday. Greek Cypriot officials said the talks might begin in Geneva.

## Prague Expels Foreigners

**PRAGUE (UPI)** — Forty men were expelled Sunday from Czechoslovakia for participating in private seminars with dissidents in Prague, government sources in Vienna said. An official press agency confirmed in Prague that several foreign participants, repeatedly contravened Czechoslovak laws, had to leave the territory. "An attempt to organize a provocative seminar had been dealt with in a firm way."

## MONDAY Q&A

**Best Stern of the World**  
The U.S. has urged action to solve the debt problems of other nations. Page 2.  
**Israel News**  
Israeli advisers assured Euzens on the Democratic Party candidate's policy unclear arms. Page 4.  
**News/Finance**  
The goods are more competitive, a report says. Page 11.



Prime Minister Brian Mulroney of Canada welcomed Prime Minister Margaret Thatcher on Sunday at the opening session.

## Canada Summit Stresses Aid to African Debtors

*By Reginald Dale*  
*International Herald Tribune*  
**TORONTO** — The major industrialized countries opened their annual summit meeting here Sunday, and immediately gave high priority to plans for relieving the crippling debt burden of the poorest developing countries. Officials from a number of the seven nations — the United States, Japan, West Germany, France, Britain, Italy and Canada — said that one of the three-day summit meeting's main objectives should be to agree on a package of debt relief measures aimed chiefly at the countries of sub-Saharan Africa. Japan did not wait for the summit meeting officially to open Sunday afternoon to announce a new \$1 billion debt relief package for 17 of the poorest African and Asian nations.

A joint debt relief initiative was seen by officials as a good way of demonstrating the seven's continuing concern with managing world economic problems at a time when their own economic policies do not need major adjustment. Several delegations stressed that relief for the poorest countries did not imply that similar steps would be taken for more developed Latin American countries. The seven Western leaders were expected to stress during their talks here that the world economy is in much better shape than generally expected only six months ago, largely thanks to their own success in coordinating economic and monetary policies. Margaret Thatcher, the British prime minister, told the opening session that the task of the seven countries was to decide how they

## Overloaded U.S. Airports Face Paralysis

*By Andrew H. Malcolm*  
*New York Times Service*  
**NEW YORK** — The nation's major airports, a vast, varied and aging collection of former fields and swamps that each year serve more than 450 million passengers are rapidly approaching gridlock. The paralysis, which experts say looms within five years, threatens the \$57 billion-a-year airline industry, the nation's international competitiveness, countless local economies and some assumptions about the way Americans live and work. Government and business experts estimate that already delays in which loaded airplanes sometimes spend more time on the ground waiting than they do flying cost the nation \$5 billion a year in wasted time and fuel. The problem stems from jet-age overcrowding and overwork of airports built for an age of propellers.

"We are getting very close, closer than anyone realizes, to commercial aviation gridlock," Mr. McArthur said. "In a very few years, we may well see fully loaded planes in one city unable to leave because there is no room at their destination city, and others can't come into the first city because these planes haven't left." "We'll have all these people and planes locked up on the ground in all these cities, wasting their time and energies. That is not far-fetched." "Then we will start rationing our limited capacity to fly people — you won't be able to travel on the day, let alone the time, you want — with all the implications for our lives, economy and international competitiveness." While much public attention has focused recently on safety in American aviation, which now moves 92 percent of all intercity common carrier travelers and 10 million tons of cargo a year, little has been placed on the nation's 5,600 air-

## A Showdown Over High Tech in Beijing

*By Daniel Southerland*  
*Washington Post Service*  
**BEIJING** — China has never seen anything like this — a highly publicized battle between an influential state-owned research institute and a rapidly growing, privately held, computer company. Both sides are making their cases through the media in a way that departs from the hidden maneuvering that is typical of a closed Communist system. The government-run China Research Institute for Printing Science and Technology charges that Yin Bujin, one of its computer scientists, abruptly resigned last year, took new typesetting software that he worked on and turned it over to Beijing Stone Group Co., which is publicly held. The institute has gone to court and is demanding payments of more than \$810,000, which it says is lost as a result of Stone's "illegal" acquisition of the new technology. If the court decides that the evidence is insufficient to bring the issue to trial, that would be a victory for Stone. If Stone loses, it could slow the growth of China's electronics industry and undermine efforts to encourage creativity and private initiative on the part of technicians and scientists.

But at Stone, the atmosphere is more dynamic and profits have brought prosperity. Rooms are spacious, well-lit and air conditioned. With some 800 employees, Stone has been able to produce and sell more than state-owned companies, which have much larger staffs. Stone's president, Wan Runnan, 41, and six others founded Stone in 1984, using \$5,400 they had borrowed. Last year, the company sold \$85.5 million worth of electronics equipment. The company is led by youthful engineers, technicians and scientists, many of whom quit what they regarded as stifling government jobs. Stone's executives said originally that the company's aim was to become "the IBM of China," but they found that in a country that still stresses the virtues of modesty and public ownership, such talk was creating enemies rather than friends. They now speak of trying to become a "company of international standing."

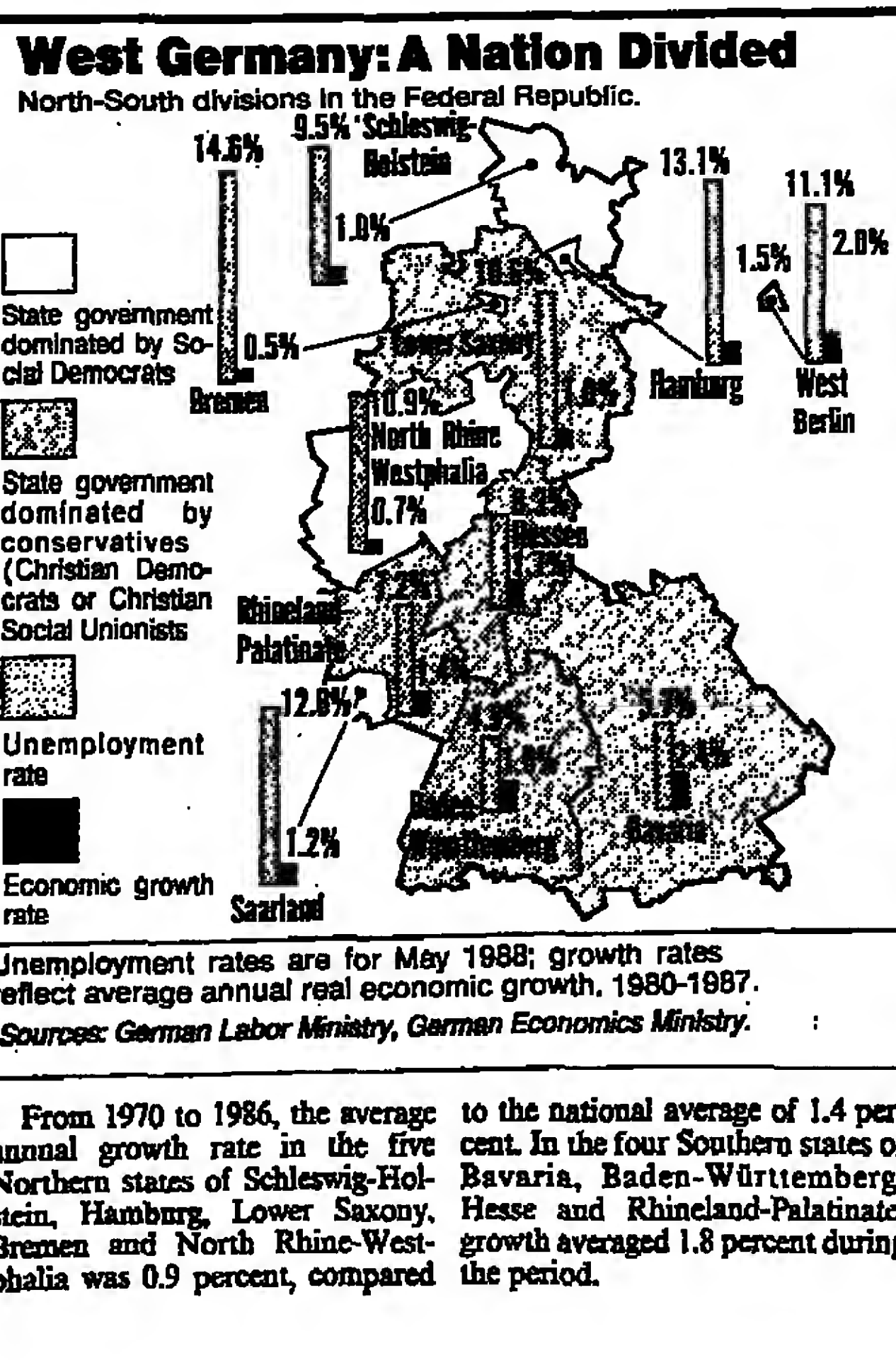


SENNA WINS DETROIT GRAND PRIX — Ayrton Senna of Brazil piloting his McLaren Honda on Sunday on the way to his third straight victory in the Grand Prix. Page 16.

## In West Germany, an Uncivil War Divides North and South

*By Robert J. McCartney*  
*Washington Post Service*  
**BREMEN**, West Germany — The neighborhood around Neuhäuser Street in this northern river port city is known locally as "Little Manhattan" because of its high-rise public housing projects and high rates of unemployment and vandalism. "People only stay here because they don't have the money to go anywhere else," a 22-year-old woman resident said. The drab brick and concrete buildings, the trash on the sidewalks and the tough-looking adolescents on the streets are reminders that West Germany's prosperity is not distributed evenly throughout the country. The jobless rate in the state of Bremen that surrounds this city is 14.6 percent, compared to the national average of 8.4 percent. Bremen's troubles illustrate what economists say is a widening economic gap between West Germany's chronically depressed North and its thriving South. The North-South fault line increasingly is shaping national politics and has aroused regional hostilities. Heinz Möller, chairman of Bremen's labor union council, said, "In the broad economic and political issues, the principal conflict in this country now is between the North and the South."

The North, which depends heavily on the "sunset industries" of steel, coal and shipping, suffers from double-digit jobless rates and accompanying budgetary and social problems. Bremen's shipbuilding and fishing industries, the backbone of its economy, have been in a slump for more than a decade. The South, the center for the prosperous automobile, electronics and aerospace industries, generally North is being left with workers with few or no skills. Their claims on local welfare budgets are eating into funds needed to promote economic development projects. "Many of the best young people go South after they graduate," said Rüdiger Staats, a Bremen state economic official. "But an unemployed shipworker doesn't go to Bavaria. He has his friends, his family, his life here." The North is pressing Bonn to do



## Israel Issues Demand to Soviet Jews

*Compiled by Our Staff From Dispatches*  
**JERUSALEM** — The Israeli cabinet decided Sunday to force Soviet Jews seeking to emigrate with Israeli visas to travel directly from the Eastern bloc to the Jewish state. Emigration activists said the decision may reduce the influx of Soviet Jews. A U.S. Embassy official said the decision appeared to contradict the standing U.S. position supporting freedom of travel for Soviet Jews. The cabinet said in a statement that it would require, "in the framework of legal means available, that Jews who ask for an exit visa from the Soviet Union in order to come to Israel would indeed reach Israel directly." Israeli officials say the decision is aimed at increasing Soviet Jewish emigration and reducing the number of Jews who go to the United States and other Western countries instead of Israel. In May, over 90 percent of immigrants decided to settle elsewhere. According to Israeli officials, the cabinet decision means that Jews would be required to pick up their visas at the Israeli Embassy in Bucharest. Once there, the emigrants would be required to fly directly to Israel. Soviet Jews currently get visas at the Netherlands Embassy in Moscow, which has represented Israel since the Soviet Union broke ties with the Jewish state in 1967. Most Soviet Jews then leave through Vienna, which enables them to travel to Western European countries or the United States, where they may be granted refugee status. Those arriving in Israel are automatically granted citizenship. See JEWS, Page 4

# World Bank Official Urges Action on Debt of Poor Nations

Ernest Stern, senior vice president, finance, of the World Bank, discussed debt problems and other issues with Carl Gewirtz of the IHT, in Paris.

Q: The World Bank has always prided itself on its special relationship with governments, never having to reschedule outstanding debt. Of late, the number running in arrears has been climbing.

A: Some eight countries are in arrears. With a few exceptions, these are all low-income countries. The most recent addition was Panama, as the result of U.S. economic sanctions. The problems have arisen in countries like Liberia, Zambia and Sierra Leone, whose prospects of working themselves out of their debt problems are very limited. We've argued for many years that some action needs to be taken about the debts of these low-income countries, principally Africa.

Q: Can you envisage the World Bank participating in the proposal by President Francois Mitterrand of France regarding cancellation of debt?

A: No. Not because we don't see the importance. We have been urging this on bilateral donors for a long time. There is an important distinction between what bilateral donors can do with official flows

### MONDAY Q&A

and what the World Bank can do. The only source of funds we have is our capital and retained earnings.

Q: What contribution is the World Bank making to finding new solutions? A: On the debt of the African countries, we have urged a variety of approaches to try to get debt on more favorable terms. For middle-income countries, we continue to be of the view that they have prospects of growing out of the debt problem.

Q: Net disbursements of the bank fell in 1987 from 1986. Why?

A: What you've got is a number of countries which have substantially stopped borrowing. South Korea has a policy of reducing outstanding debt. This is true of Malaysia. Romania has a policy

to eliminate all external debt by the end of next year. A second category is the highly indebted countries, which have had difficulty sustaining adjustment programs. Yugoslavia is in discussions with us on financing a revised adjustment program, but for the last two years lending for adjustment to Yugoslavia simply didn't occur. Third are countries which stopped borrowing a long time ago — Greece, Spain, Japan. Finally, you have to recognize that starting in 1983, after the outbreak of the debt crisis, the bank took major actions to accelerate disbursements, but that also meant that the repayments were pulled forward.

More important than net disbursements is aggregate disbursements in countries where we are still active lenders. For those, our disbursements in fiscal 1987 accelerated substantially and we expect to have maintained that level in fiscal 1988, of about \$11 billion.

Q: An additional problem seems to be the cocktail of currencies in which the bank lends, causing service payments to rise as the dollar fell.

A: The bank has borrowed in essentially six major currencies — the U.S. dollar, sterling, yen, Deutsche mark, Swiss franc and guilders. We try to borrow as cheaply as possible to hold our lending rate as low as possible. We also try to maximize our net income. The effect is that we borrowed a lot of relatively low-interest hard currencies. The dollars and sterling were retained in our investment portfolio. The low-interest currencies were used in the disbursement pool. In addition, as these currencies began to appreciate against the dollar, very little was done to maintain the dollar share of that disbursement pool so that it declined quite substantially to about 12 percent. That meant that in the course of this fiscal year, our borrowers had an exchange adjustment to their payments of about \$1 billion. Clearly, that contributed to payment difficulties and net disbursement calculations.

How we should manage that currency pool is something we are in the process of revisiting with our board. The borrowing program our board has just approved for fiscal 1989 contemplates borrowing a great deal more in dollars. About half of

our planned borrowing will be in dollars.

Q: The dollar's 12-percent portion of the pool currently looks like a bad policy decision.

A: Retroactively it's always easy to be clever. The declining share had two components: Devaluation drives down the dollar share and that accounted for a substantial part of it. The other part was that we had tended for a number of years to maximize our earnings by keeping dollars and sterling in the investment pool; it allowed us to keep our charges low; it helped us to take care of provisioning against arrears without raising charges; it helped to maintain our triple-A rating and reduce borrowing costs.

Q: Is the bank advising Chile on covering interest-rate exposure through the financial futures market? Isn't that speculation?

A: That sounds more dramatic than what we're engaged in. We have some people who, at the request of governments, provide technical assistance in the financial area. We don't advise on the transactions or execute them.

## 15 Killed By Bomb in Hindu Town

KURLSHETRA, India — At least 15 persons were killed and 25 seriously injured here Sunday when a bomb planted by Sikh extremists exploded in the middle of a crowd watching a popular televised Hindu epic, police officials said.

The bomb was concealed in a cloth bag and left in a crowd composed mostly of poor Hindu laborers gathered outside a television shop in a market, the police said. They said the bomb apparently was detonated by remote control.

This town, in northern Haryana state, is considered holy by Hindus. The crowd was watching "Ramayana," a series on state-run television about the Hindu god Lord Rama. The program is viewed by an estimated 100 million Indians each week.

In a number of other incidents, seven persons were reported killed Sunday in northern Punjab state by Sikh extremists.

Punjab police said three policemen were killed during the night in two separate attacks. A Sikh farmer was reported slain in central Punjab.

Sikhs also reportedly ambushed a car carrying a militant Hindu leader in Punjab, killing him, his bodyguard and an aide.

The Hindu leader was identified as Rama Kant Jalota, president of the Punjab Shiv Sena, or army of Shiva. The Shiv Sena views itself as a defender of Hindus and their religion.

The Press Trust of India said Mr. Jalota's car was attacked as he was en route to Jalandhar, a district capital 80 kilometers (50 miles) southeast of Amritsar.

Sikh extremists have been waging a guerrilla war for an independent homeland in Punjab since 1982.

The latest killings raised to more than 1,320 the number of people believed killed by radical Sikhs in Punjab since the start of the year. Last year, 1,030 persons died.

Most of the victims have been Hindus or moderate Sikhs opposed to the militants' separatist campaign.



Vishwanath Pratap Singh, left, a former Indian finance and defense minister, receives congratulations after his victory in a by-election.

## Leading Gandhi Rival Wins By-election

By Steven R. Weisman

SRINAGAR, India — A former member of Prime Minister Rajiv Gandhi's cabinet who has been dismissed last year has won a crucial parliamentary by-election, making it likely that he will lead the opposition in the next general election.

Results tabulated Saturday from the election on Thursday indicated a sweeping victory by Vishwanath Pratap Singh, a former finance and defense minister. He campaigned almost exclusively on charges that Mr. Gandhi's government had taken kickbacks and should be turned out of office.

Mr. Singh, who was dismissed from the cabinet when he began inquiries into charges of kickbacks, later was expelled from the ruling Congress Party. He also drew away a few of Mr. Gandhi's close allies, including the prime minister's cousin, Arun Nehru.

The prime minister and his aides have denied the charges, but critics assert that a special parliamentary committee that found no basis for them was a whitewash.

Touring the district in the northern Indian city of Allahabad on a motorcycle in the last few weeks, Mr. Singh brought cheers as he repeatedly informed voters: "I told Rajiv Gandhi that there is no justice for me in his royal court, so I sought justice at Allahabad, my home." Mr. Singh grew up in the district.

Mr. Gandhi sought to play down the significance of the defeat at Allahabad, saying that "the ruling party always gets it in its neck" in such special elections.

Allahabad has played a major role in India's political history; three of the country's seven prime ministers have come from there. The three were Jawaharlal Nehru and Indira Gandhi, the grandfather and mother of Rajiv Gandhi, and Lal Bahadur Shastri, who ruled briefly after Mr. Nehru's death in 1964.

The victory by Mr. Singh will allow him to try to forge an alliance among the bickering Indian opposition parties before the next election, which is due before the end of 1989.

The opposition has always had trouble uniting, and the only time the non-Congress parties governed India, starting in 1977, they fell apart less than three years into office. Their infighting also enabled

Mr. Gandhi to win 80 percent of the seats in Parliament in the last election, in 1984, even though his party captured only 49 percent of the popular vote.

## Anti-Khomeini Forces Claim Capture of Town

The Associated Press

BAGHDAD — The National Liberation Army, an Iraq-based organization of Iraqis opposed to the Ayatollah Ruhollah Khomeini, said its troops captured the Iranian border town of Mehran after heavy fighting Sunday.

Iran appeared to acknowledge the loss, saying that the Iraqi army had "violated an international border" and reached the city of Mehran by employing chemical weapons "on a large scale."

Mehran, virtually deserted since the Gulf War started in September 1980, is about 160 kilometers (100 miles) east of Baghdad.

A press officer at National Liberation Army headquarters in the Iraqi capital told reporters that its forces "liberated" Mehran in an offensive that started Saturday.

The unit's commander, Massoud Rajavi, said the capture of Mehran "is a great victory and a basic step toward the overthrow of Khomeini's oppressive regime."

A report by the official Islamic Republic News Agency, monitored in Nicosia, said "a large number of Iranian Muslim combatants were martyred and injured when Iraqi warplanes chemically bombed the Changshu region east of Mehran."

"Earlier in the day, Iraqi warplanes had chemically bombed the town of Mehran," the report said.

Q: New Iraqi Strategy

Meanwhile, Youssef Ibrahim of The New York Times reported from Paris:

After almost eight years of war in the Gulf, Iraq appears to have settled on a strategy of regaining ground lost to Iran and hitting hard at Iranian economic targets, particu-

larly oil installations, senior Iraqi officials say.

These goals contrast with what is seen as vacillation in Iran, where the struggle for political power has become entangled with war plans and an attempt to distribute blame for recent battlefield setbacks.

Still, Iranian leaders agree that they cannot stop the war without obtaining their minimum demand: that Iraq be punished for starting it. There appears to be little expectation that the war will end soon.

Iraqi diplomats said the campaign under way since April, in which Iraq has retaken much of the Faw peninsula, has a clear goal: the liberation of Iraqi territory under Iranian occupation.

The Iraqi diplomats said the campaign by Baghdad that followed, which included efforts to push Iranian troops from areas east of the southern city of Basra and to drive the Iraqis from Iraqi Kurdish villages in the north, fell within this limited strategic concept.

"The idea is to get back all Iraqi land under Iranian occupation, then to hit them where it hurts most, in their economic and industrial infrastructure," said an Iraqi official. Iraqi and Arab diplomats say they expect Iraq to concentrate next on recapturing parts of the Majnoon oil fields, on the border.

Vabe Peroussian, a specialist on Iranian affairs with the Middle East Economic Digest, a weekly magazine based in London, said the psychological impact of the Iraqi victories has been great within the leadership in Iran.

"It looked like the tide of war has turned and Iran faced either defeat or indefinite fighting," he wrote in the current issue.

## Iran Expects Better Ties With Britain

NICOSIA — A Tehran official said Sunday that Iran's relations with Britain were improving and that a visit this week by four members of Parliament would help the process. The four are trying to win release of three British believed held by pro-Iranians in Lebanon.

The Iranian News Agency quoted Deputy Foreign Minister Mohammed Javad Larjani as having said that relations improved after Britain took a "logical and moderate" stance over allegations of Iraqi use of chemical weapons.

Iran accused Iraq of using gas warfare in the Halabja area of northeastern Iraq to kill 5,000 Kurds in March. British government officials expressed concern over the reports to the Iraqi ambassador in London.

Church Sponsors Trip

Karen DeYoung of The Washington Post reported earlier from London.

The Church of England announced that four members of Parliament would fly to Tehran under its auspices Sunday for talks with officials that it hopes will lead to "improved relations" and possible progress in freeing three British hostages believed held in Lebanon.

One of the three hostages is Terry Waite, the church envoy who disappeared in January 1987 while on a mission to negotiate for the freedom of other Westerners being held hostages in Beirut.

The visit, by two members of Britain's Conservative Party, one Laborite and one Liberal, follows several days of talks in Tehran this week between Iranian officials and John Little, a senior aide to the archbishop of Canterbury, Robert Runcie.

The British Foreign Office said Friday night that it was aware of the planned trip but would not comment further.

An aide to the archbishop, Eve Keatley, said that the parliamentary group "is not going to negotiate for the return of hostages. It is a fact-finding mission to find ways to improve relations with Iran which could lead to the freeing of Terry Waite and the other British hostages. We have repeatedly made it clear we are not prepared to be party to any deal which would indicate in any way that hostage-taking pays dividends."

The two other hostages are John McCarthy, a television journalist, and Brian Keenan, a university lecturer from Belfast who also holds Irish citizenship.

Britain has been criticized for its strong stand against hostage negotiations. On Tuesday, in a meeting in London organized by a support group for Mr. McCarthy, a French French hostess, Jean-Paul Kauffmann, called on Britain to keep open a dialogue with Iran.

Last week, Britain held its first formal talks with Iran since the two governments reduced their embassies to one diplomat each last year.

British officials denied that the talks touched on the hostages, but there was private acknowledgment that the meeting could be the first step toward warmer relations between the two governments.

## WORLD BRIEFS

### Pretoria-Luanda Talks to Resume

JOHANNESBURG (Reuters) — Angolan peace talks, threatened by a Cuban military buildup and wrangling over the venue, are to resume in Cairo this week, South Africa announced Sunday. A spokesman said Foreign Minister R.F. Botha would meet South Africa's Angolan and Cuban adversaries for two or three days of negotiations, probably starting Thursday.

Pretoria made clear it would press for an explanation for the recent deployment of thousands of Cuban troops on Angola's tense border with South-West Africa, or Namibia, which is administered by South Africa. "It will be a big issue," a diplomatic source close to the talks said.

The United States also will attend the talks on ending 13 years of bush war between Angola's Marxist government and the rebel army of the National Union for the Total Liberation of Angola, which is backed by South Africa and led by Jonas Savimbi. The talks, also aimed at achieving independence for South-West Africa, began in London last month. A second round was held in the Congo capital, Brazzaville.

### Tutu Praises Russians on Apartheid

JOHANNESBURG (NYT) — Archbishop Desmond M. Tutu, the Anglican primate of Southern Africa, has described the Soviet Union as an ally in an international campaign to end apartheid in South Africa, and he said Moscow had no selfish interest in southern Africa. The archbishop spoke to reporters Saturday on the grounds of his Soweto home after returning from his first visit to the Soviet Union, where he took part in the 1,000th anniversary celebrations of the Russian-Orthodox Church. He said he was not prepared to withdraw remarks he made in Moscow thanking the Soviet people for moral and humanitarian support in the struggle against apartheid.

The pro-government press in South Africa denounced Archbishop Tutu for having praised the Soviet Union while ignoring its long hostility to religion and oppression of the church.

### Singapore to Detain 4 Another Year

SINGAPORE (AP) — Singapore announced Sunday that it would extend by a year the detention of four persons who the government says were involved in a Marxist conspiracy. The Home Affairs Ministry said Teo Soh Lung, Kevin De Souza, Kenneth Tsang Chi Seng and Wong Sook Yee would be detained another year, beginning Monday, under the Internal Security Act. It allows the government to detain people without trial for up to two years, after which detention may be extended indefinitely.

The four were arrested in May and June of 1987 and accused of conspiracy to undermine Singapore's government. Released in a few months, they were among nine former prisoners who issued a statement April 18 saying that the government had forced them to confess. All were detained again the next day.

### Libya Boosts Its Investment in China

BEIJING (AFP) — Libya became China's fourth-largest source of foreign investment, pouring the equivalent of \$143 million into the country in the first quarter of the year, the China Daily's weekly business supplement reported Sunday.

The English-language newspaper said that investment by Libya and West Germany had increased in the first quarter relative to that of other foreign countries and "regions" — a euphemism in China for Hong Kong and Macao. Hong Kong, it said, provided \$599.26 million in investments, followed by the United States, \$41.93 million, and Japan, \$41.66 million. West Germany was fifth at \$11.01 million.

The paper did not provide figures on the total of Libyan investment, nor did it say what Libyans were investing in. Libya in recent years has received Chinese expatriate laborers and is also thought by the United States to be purchasing Chinese weapons.

### Aquino Returns With Pledges of Aid

MANILA (AFP) — President Corason C. Aquino arrived from a week-long European tour that she said had led to pledges of investments and official offers to help improve the Philippines economy. Mrs. Aquino told newcomers at the airport that her trip to Switzerland, Italy and the Vatican had "exceeded all my expectations." She said Italian and Swiss leaders had "readily volunteered to help" the Philippine economy, while businessmen had pledged to send missions to explore investments. "We signed nine agreements in Italy and this augurs well for the future of our relations," she added.

## TRAVEL UPDATE

### Air Inter Faces a Week of Strikes

PARIS (AFP) — Air Inter, the French domestic airline, faces another week of strikes by pilots and flight engineers, including a 48-hour strike on Wednesday and Thursday that is expected to cause serious disruptions in service.

In addition, two pilots' unions and the flight engineers' union have called daily strikes Monday through Sunday, from midnight to 8 A.M. The unions are demanding the resignation of the Air Inter chairman, Pierre Etesien. They say he is refusing to negotiate in a long-standing dispute over the company's decision to fly its Airbus A-320 planes with two instead of three crew members in the cockpit.

### Group to Offer Islamic Airline Food

KUWAIT (AP) — The national airlines of three Arab states are working out a joint venture with Marriott Corp. to set up an Islamic flight kitchen at London's Heathrow airport, an airline official said. The airlines involved in the agreement are Kuwait Airways Corp., Saudia of Saudi Arabia and Gulf Air, based in Bahrain. The agreement is aimed at providing in-flight food worldwide for Moslem passengers, who are not supposed to eat pork. Moslems are also supposed to eat meat or poultry only if slaughtered under strict religious guidelines.

Cyprus has tightened controls on visitors from the Middle East, Asia and Africa following a car bombing last month that killed three people. Visitors from those areas will need visas before traveling to the holiday island, officials said.

The Federal Aviation Administration has refused to review a limit of 155 flights per hour at O'Hare International Airport despite concerns by the head of the National Transportation Safety Board that the cap may be too high. (UPI)

### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

- MONDAY: Argentina, Bermuda.
- TUESDAY: Togo.
- WEDNESDAY: Colombia, South Yemen.
- THURSDAY: Luxembourg.
- FRIDAY: Andorra, Brazil, Canada, Finland, Macao, Peru, Portugal, Spain, Sweden, Venezuela, Zaire.
- SATURDAY: Finland, Mozambique, Sweden.
- SUNDAY: Iran, Madagascar, Somalia.

Source: Morgan Guaranty Trust Co. Reuters.

## Afghan Rebels Name a Transitional Government

By Jonathan C. Randal

ISLAMABAD, Pakistan — The seven-member alliance of Afghan anti-Communist guerrilla groups named on Sunday a long-delayed transitional government designed to replace the Soviet-backed Kabul government headed by Major General Najib.

No prominent alliance leaders were among the two vice presidents

and 11 ministers representing various alliance organizations who were named at a news conference in the western Pakistani city of Peshawar, where the alliance is based.

The Planning Ministry was awarded to Abdul Ali Farouq, a nonparty Afghan exile living in the United States.

The list was announced by Ahmad Shah, who for more than three months had been the leader and only member of the transitional government. Pakistan once had hoped that the government would play a role in the negotiations in Geneva that produced the agreement under which the Soviets began withdrawing their 115,000 troops on May 15.

Diplomats and analysts had all but written off the transitional government last week when its principal Afghan proponent, Gulbuddin Hekmatiyar, a radical Islamic fundamentalist, gave up the rotating leadership of the alliance after a

three-month stint without announcing its makeup.

Many moderate Afghan guerrilla leaders, as well as rebel field commanders inside Afghanistan, have made it clear they thought the transitional government was irrelevant. In private, the leaders admit their failure to agree on who should govern if the guerrillas succeed in overthrowing General Najib.

The alliance announcement followed by a day Kabul's own unveiling of a 29-member government dominated by the communist Peoples Democratic Party of Afghanistan. The list, including some non-communists, was the latest in a series of Soviet-inspired reshuffles. Najib's so far unsuccessful 18-month-old policy of national reconciliation.

In the alliance government, 14 portfolios are to be reserved for "Moslems in good standing" inside

Afghanistan. This is taken to mean non-communist Afghans.

### Experts Split on Outlook

Robert Pear of The New York Times reported earlier from Washington.

The State Department's leading expert on Afghanistan says that the Kabul government is crumbling quickly and will not survive after Soviet troops complete their withdrawal early next year. But some other experts on Afghanistan say the Soviet-backed government can last longer.

The guerrillas have been capturing territory much more rapidly and extensively than had been anticipated, the department's Afghan policy coordinator, Zalmay Khalilzad, said.

The key question for the Kabul government, Mr. Khalilzad said in an interview, is "not whether it will survive, but when it will fall." He added, "The Najibullah re-

gime appears to be crumbling faster even than those who were most optimistic about prospects for the mujahidin had anticipated."

But another administration official said he believed that the Soviets were consolidating their positions in and around cities as they withdrew from outposts and other small places in the countryside.

Rosanne Klass, the director of the Afghanistan program at Freedom House, in New York, which monitors political and civil rights around the world, said, "I do not think the Kabul regime will speedily collapse."

"There are thousands of Soviet military and other advisers in Afghanistan, and they are not leaving," she said. "Soviet soldiers from Central Asia, such as Uzbeks and Tajiks, have been infiltrated into the Afghan Army and cannot be distinguished from Afghan soldiers with similar ethnic origin."

EBEL  
The Architects of Time

Chronograph, automatic, Steel and 18K Gold, water resistant 30 m.

Autumn in  
The House of Time, Tel. 558.89.50.92

**UNIVERSITY DEGREE**

BACHELOR'S • MASTER'S • DOCTORATE  
For Work, Academic, Life Experience

Send detailed resume for free evaluation.

**PACIFIC WESTERN UNIVERSITY**  
600 N. Sepulveda Blvd.,  
Los Angeles, California,  
90049, Dept. 23, U.S.A.

# Weinberger Policies May Have Cleared Way for Pentagon Scandals

By George C. Wilson  
Washington Post Service

WASHINGTON — During the seven years that Caspar W. Weinberger presided over the entire U.S. military establishment, the way weapons makers did business with the Pentagon changed.

Changes, according to critics in the industry and industry, improved the way for the kind of corruption the Department is now pursuing.

Of Mr. Weinberger's former deputy, the Pentagon said sadly of the scandal: "This is Cap's Iran-

deputy explained that Mr. Weinberger to subordinate the details of the \$2 billion he raised between 1981 and 1987.

Mr. Weinberger's immediate predecessor, Harold Brown, was a nuclear physicist who had dealt with the defense industry as director of Pentagon research and as air force secretary before becoming secretary of defense. Melvin R. Laird, President Richard Nixon's secretary of defense, armed himself with industrialist David Packard of Hewlett-Packard, a large defense contractor,

Robert S. McNamara, former president of Ford Motor Co., recruited experienced managers from industry.

In contrast, Mr. Weinberger stiff-armed White House attempts to give him a deputy from the defense industry and installed instead trusted deputies from his previous government jobs, starting with Frank C. Carlucci, deputy secretary of defense in 1981-82, and William H. Taft IV from 1982 onward. Only for one year did the White House get its way, naming Paul W. Thayer, the former president of LTV Aerospace Corp., as Mr. Weinberger's deputy. Mr. Thayer had just started to grapple with procurement problems in 1984 when he had to resign in disgrace, later going to jail for insider stock trading.

As part of the price for getting Mr. Carlucci and Mr. Taft as deputies, men whom were not considered ideologically

pure by some conservatives, Mr. Weinberger accepted other men in policy and management positions who were long on ideology and short on management skills.

They included: Fred C. Iklé, a hawkish sociologist, who became under secretary of defense for policy; Richard N. Perle, a hardliner and former Senate aide, as assistant secretary of defense for international security policy; and T. K. Jones, deputy under secretary for strategic and nuclear forces, who became famous for his prescription for surviving a nuclear war: "Dig a hole, cover it with a couple of doors and then throw three feet of dirt on top."

Mr. Lehman rushed into this vacuum. He was wise in the ways of the defense consulting business from running such a firm himself, the Abington Corp. In office, he seized the initiative, quickly ex-

ceeding the old job description of a service secretary. He did not wait for orders from above but issued them to admirals, navy agency heads and defense contractors. He was brash, dramatic and impetuous. He appreciated those qualities in others and found them in Melvyn R. Paisley, a colorful F-47 pilot from World War II.

Mr. Lehman got to know Mr. Paisley while doing consulting work for Mr. Paisley's company, the Boeing Co.

After he became navy secretary in 1981, Mr. Lehman brought Mr. Paisley aboard to help decide which weapons should be built, and by whom. Pentagon careerists and industry executives soon complained that Mr. Paisley did not seem to have the technical expertise to handle this job of assistant secretary of the navy for research, engineering and systems, and relied on bluster and his

support from Mr. Lehman to compensate.

In his biography submitted to "Who's Who in America," Mr. Paisley said he had graduated from the Massachusetts Institute of Technology with a master's degree in 1954. A spokesman for MIT said in an interview that Mr. Paisley went to MIT for one semester in 1953 and received no degree. Mr. Paisley's navy biography says he "is credited with shooting down nine enemy aircraft" in World War II. The air force says Mr. Paisley is credited with four kills and two half kills.

Whatever their credentials, Mr. Lehman and Mr. Paisley proceeded to design the navy of the future and decide what companies would build it — with little or no direction from the office of the secretary of defense.

Lehman enthusiasts inside the navy

and within the defense industry credit him with being a "take charge guy" who came close to achieving his goal of a modern, 600-ship navy without running up the cost overruns that had plagued previous administrations.

To get navy contracts, defense executives came to realize that they had to win the approval of Mr. Lehman, Mr. Paisley and a few others on their team. This unusually heavy concentration of power within the navy secretariat created an unusually lucrative market for consultants who could provide access to the key people on Mr. Lehman's team.

"We had nobody knowledgeable to talk to," complained one defense executive of the Weinberger era. "It got to the point where we had to hire consultants to get appointments with the people we should have been able to see on our own."

## NEWS ANALYSIS

F. Lehman Jr., his activist secretary of the navy, several of whose associates have been implicated in the burgeoning investigation of contracting fraud.

Mr. Weinberger's immediate predecessor, Harold Brown, was a nuclear physicist who had dealt with the defense industry as director of Pentagon research and as air force secretary before becoming secretary of defense. Melvin R. Laird, President Richard Nixon's secretary of defense, armed himself with industrialist David Packard of Hewlett-Packard, a large defense contractor,

Robert S. McNamara, former president of Ford Motor Co., recruited experienced managers from industry.

In contrast, Mr. Weinberger stiff-armed White House attempts to give him a deputy from the defense industry and installed instead trusted deputies from his previous government jobs, starting with Frank C. Carlucci, deputy secretary of defense in 1981-82, and William H. Taft IV from 1982 onward. Only for one year did the White House get its way, naming Paul W. Thayer, the former president of LTV Aerospace Corp., as Mr. Weinberger's deputy. Mr. Thayer had just started to grapple with procurement problems in 1984 when he had to resign in disgrace, later going to jail for insider stock trading.

As part of the price for getting Mr. Carlucci and Mr. Taft as deputies, men whom were not considered ideologically

# Midwest Drought: Is More on the Way?

By Walter Sullivan  
New York Times Service

NEW YORK — Weather specialists studying the drought in the Middle West this year have determined why it occurred. But they are concerned that it might be a harbinger of things to come, perhaps evidence of basic changes in climate brought about by the "greenhouse effect."

For months, a great wall of high-pressure air over the central United States has prevented storms bearing rain and snow from penetrating that region, according to specialists of the National Weather Service. The high pressure was locked in place by a jet stream far north of its normal position.

As a result, the agency said on Friday, precipitation has been abnormally high in the Northeast and the Northwest even as the Middle West has suffered.

There is concern that the resulting drought might offer a glimpse into what Alan D. Hecht, the director of the National Climate Program Office in Rockville, Maryland, called "the greenhouse world" of the future.

In the drought, he asked, "the kind of thing we see more often?"

A number of weather specialists have been searching for signs that

world climate is changing as a result of warming caused by carbon dioxide from the burning of fuel. This is the much-discussed greenhouse effect.

With the information now available, Mr. Hecht said, an obvious relationship is still uncertain.

Mr. Hecht, whose office is part of the National Oceanic and Atmospheric Administration, said he hoped Charles W. Stockton at the University of Arizona could determine from the widths of annual tree rings in much of the West, whether droughts in the last three centuries had been as prolonged and widespread as this one.

Not since the dust storm period of the 1930s, Mr. Hecht said, has a drought been so extensive. He would like to know how exceptional this one is.

Annual rings in trees growing in the region over the last 300 years have been analyzed at Mr. Stockton's Laboratory of Tree-Ring Research at the University of Arizona. Researchers are trying to find out whether occurrences of narrow rings, indicating drought, conform to a 22-year cycle of solar activity. The results have been inconclusive.

David Miskus of the Analysis and Information branch of the National Weather Service said that

from December to February a high pressure region off the West Coast had kept storms away, leading to low precipitation there.

The high pressure wall then moved east to its present position over the central states.

In winter and spring, according to Donald Gilman, a long-range forecaster with the Weather Service, the jet stream normally heads East after crossing California, carrying storms over the Middle West.

This year, however, the jet stream has split, Mr. Gilman said. The main branch has swung north across Oregon. Near Hudson Bay it has curved southeast across New Hampshire and has joined the less-

er branch over the Atlantic Ocean after the latter has crossed northern Mexico and Florida.

The drought now affects most of the Mississippi-Missouri drainage systems, reaching from Canada to the Gulf of Mexico.



Farmer stirs up dust while working his field during a drought that has spread across Midwestern America.

## AMERICAN TOPICS

### California Trend: Lingering Ladder Up

There has been many years since Americans who headed to Kern California have found spoiled promised land of oranges and avocado groves, fan and the comfortable Robert Reinhold writes in New York Times. They contended instead with and freeway traffic jams, insisting that growth is maligned good.

"I today even the most bitten Southern California say that the place has become reach its limits, becoming a vast basin of clogged, overburdened sewers high-rises that are turning lensy suburbs into cities.

As result, he writes, is a "terrible slow-the-growth movement by people whose is to gain control of forces they see threatening their life."

The fading of the California that drew the migrants is the inevitable result of a quiet existence in urban psychosis. Predictions of further unbridled growth have fanned intent and frustration. Temporary moratoriums on apartment construction already been imposed in all Los Angeles suburbs. The city itself, new contention is restricted. This has voters in 26 communities their ballots on growth. Seven of the 13 growth measures passed; three of the 13 pro-growth ones did.

### Waste Takes

Processing of nuclear waste seen begun in a joint project by the U.S. Department of Energy and Westinghouse Electric Corp. The stuff is being put into cement and glass at a site near Buffalo, New York, though its eventual destination is undecided.

"It is when you have just dropped a dozen eggs in the dairy aisle of the supermarket that suddenly a small voice will say: 'Mom, do all people die? Will you die? Will Dad die? Will I die?' Luckily I've already answered those questions, and luckily I was merely in bumper-to-bumper traffic on Route 80 trying to change lanes to get around the stalled tractor-trailer when, from the back seat, I heard the dreaded words, 'Mom, how does a baby get out of a mother's body?'"

### Notes About People

Though the National Aeronautics and Space Administration continues to study the possibility of a manned mission to Mars, President Ronald Reagan recently told journalists at the White House, "We've already sent a craft to Mars, as you know, in the past," which has "taken some pictures that make you wonder why anyone would want to go there."

The comedian Chevy Chase said of his recent visit to the Betty Ford clinic at Rancho Mirage, California, to overcome an addiction to painkillers, "I hated the godawful lecturing and group therapy and the endless reassessment of your life and what you've done to get you to such a low point. Well, I didn't feel I was at such a low point in my life, I simply had to get off."

### Children Are Often Verbally Contrary

"As anyone who has been told by their children have a certain strange contrary streak," writes Anna Quindlen, 35, a mother of two and author of "The Life in the 30's" column of "The New York Times." "Nowhere is this more evident than in their ability to put you on the spot when you least expect it and are not dressed for it. If you are having a hour of quiet and introspective time with your little boy, reading with him on the couch and discussing this and that — as will happen perhaps every eight or nine years — his most probing question is likely to be, 'But how come I can't have chocolate chip cookies for breakfast?'"

### Environmentalists

Environmentalists have doubts, Robert Alvarez of environmental Policy Institute says that the cement is to breakdown. The waste heat, he notes, and if glass comes into contact groundwater it could program that would eat away glass.

### Canonizes Vietnam Martyrs

Those canonized were 96 Vietnamese priests and laity, and 11 Spanish and 10 French missionaries. Vietnam has contended that many of the martyrs were imperialists and has criticized the timing of the canonization, which was on the Armed Forces Day of the defeated South Vietnam government.

# Haiti President Dismisses Armed Forces Leader

By Joseph B. Treaster  
New York Times Service

PORT-AU-PRINCE, Haiti — Relatives of the dismissed armed forces commander say he has been placed under house arrest at his walled residence north of here.

The relatives said Saturday that soldiers loyal to an opposing commander had surrounded the home of Lieutenant-General Henri Namphy, who was abruptly dismissed Friday night by Haiti's civilian president, Leslie F. Manigat. They said the soldiers were telling friends and family members that no one could go in and General Namphy could not come out.

Roger Savain, the minister of information and Mr. Manigat's chief spokesman, said he did not know whether General Namphy, 55, was under house arrest. But Mr. Savain said General Namphy's "no-man-guard" had been removed and that "he has a new one and that's all."

Aides to Mr. Manigat said his

assertion of civilian authority over the military was evidence of progress toward democracy. But U.S. and other foreign diplomats said it was unclear whether it involved anything more than a power struggle.

When word of the dismissal was broadcast over local radio stations Friday night, the streets of the capital quickly emptied as Haitians, fearful of being caught up in violence, hurried to the security of their homes.

General Namphy's dismissal was the latest development in a conflict that first came to light Tuesday. The widespread impression is that Mr. Manigat has greatly extended his political power since being elected in February.

Many details of the struggle are still unclear, and there is speculation over the degree to which Mr. Manigat controls or depends upon two key army officers.

One is Colonel Jean-Claude

Paul, who has been the most apparent beneficiary of the recent events. The other key officer is Major General Williams Regala, who served as General Namphy's deputy in the army-dominated provisional government that ruled Haiti after the fall of the Duvalier dictatorship in early 1986.

General Regala is now on leave

and is serving as minister of defense. He acted as an intermediary in talks with General Namphy last week and, along with the president and the prime minister, signed the dismissal order.

Colonel Paul was indicted in March by a federal grand jury in Miami in a conspiracy to smuggle cocaine.

# Miguel Pinero Is Dead at 41; Playwright Got Start in Jail

By Leslie Bennetts  
New York Times Service

NEW YORK — Miguel Pinero, 41, who began his first play in prison and went on to be acclaimed as a major new voice in the theater 15 years ago, died Friday of cirrhosis of the liver.

Mr. Pinero, who was born in Puerto Rico and grew up on Manhattan's Lower East Side, started to write for the theater while serving a sentence for armed robbery at Ossining Correctional Facility, also known as Sing Sing. The result was "Short Eyes," a portrayal of violent prison life, which opened at the Theater of the Riverside Church, was transferred to the Public Theater by Joseph Papp, and then ran at the Vivian Beaumont Theater in Lincoln Center. The play, which won an Obie Award and the New York Drama Critics Circle Award as best American play in 1974, was later made into a film.

"Miguel Pinero was the first Puerto Rican to really break through and be accepted as a major writer for the stage," Mr. Papp said.

Mr. Pinero's other works for the theater included "Straight From the Ghetto," "Enfity for a Small-Time Thief," "The Sun Always Shines for the Cool" and "A Mid-Night Moon at the Greasy Spoon."

John A. Reardon, 70, managing director and chairman of Esso Standard Thailand 1963-73 and previously with Esso in China and the Philippines, of pneumonia June 10 in Rutland, Vermont.

Cleo Hartwig, 80, a sculptor whose works featuring animals, birds and other natural subjects were inspired by her childhood in rural Michigan, of cancer of the pancreas Saturday in New York.

# BE A WINNER!

• Play Lotto 6/49—Canada's Favorite Government Lottery  
• Pick your own "Lucky Numbers" when you play  
• Record prize of \$13,890,588.80—all CASH—TAX FREE!

## HOW YOU CAN WIN BIG

For years Canadians have been striking it rich in Lotto 6/49—Canada's most popular lottery. In fact, last year Lotto 6/49 paid out over \$500 million dollars in prizes! Almost every week new millionaires are being made by playing this fantastic game. The jackpots (1st prize) regularly surpass \$10,000,000 per draw and have gone as high as \$13,890,588. That record prize was won by Lillian and Stewart Kelly, pictured below, and still stands as one of the world's largest all-cash lottery prizes every awarded.

Now, thanks to Canadian Overseas Marketing's unique subscription service, you too have the chance to win a multi-million dollar prize.

## MULTI-MILLION DOLLAR PRIZES

Here are some examples of the fantastic jackpots being awarded by Lotto 6/49:

Lillian and Stewart Kelly — \$13,890,588.80  
Mohamed and Nurahi Samji — \$11,066,864.20  
Ron and Val Taylor — \$10,372,326.70  
Jean Visau — \$10,191,804.60  
Carrie and Derek Stockley — \$ 7,789,787.60  
Doug and Lorraine Clark — \$ 7,059,893.70

## GOVERNMENT GUARANTEED LOTTERY

Lotto 6/49 is an official lottery operated by the ten Provincial Governments of Canada. It's called Lotto 6/49 because six winning numbers from a total of forty-nine are selected each draw. If the six numbers chosen match the six numbers you are playing, you win the jackpot. In addition to the six regular winning numbers chosen, there's one additional number drawn called

## YOUR OWN NUMBERS

Besides the enormous prizes to be won, the best thing about Lotto 6/49 is that you pick your own numbers. So, instead of just buying a ticket, you really do play this lottery. Many people feel they have certain personal lucky numbers or numbers that have a special significance to them, such as birthdays or anniversaries. Still others look for statistical patterns in the numbers selected. But whatever method you use, you'll find it much more exciting to play the lottery that lets you enter your own numbers.

## IT'S EASY TO PLAY

All you do is complete the attached order form and send it to Canadian Overseas Marketing along with the necessary payment. We'll enter your numbers for the specified length of your subscription. You may select from 1 to 6 games for 10, 26, or 52 weeks. Indicate exactly six numbers between 1 and 49 for each game you wish to play. Each game gives you another chance at the grand prize for every draw in which you are entered.

You receive a "Confirmation of Entry" by return mail acknowledging your order and

## WIN MILLIONS LIKE THE COUPLE PICTURED BELOW

When Lillian and Stewart Kelly, pictured above, won Canada's record Lotto jackpot of \$13,890,588.80 there were over 1 million winners in total, with over \$37,000,000.00 in prize money awarded. The prize breakdown shown here indicates the actual winnings for that draw.

PRIZES	NO. OF PRIZES	PRIZE VALUE
1ST PRIZE 6 OUT OF 6 DRAWING NUMBERS	1	\$13,890,588.80
2ND PRIZE 5 OUT OF 6 PLUS 1	10	\$442,481.60
3RD PRIZE 5 OUT OF 6	716	\$3,704.70
4TH PRIZE 4 OUT OF 6	48,917	\$191.30
5TH PRIZE 3 OUT OF 6	985,712	\$10.00
TOTAL PRIZES	1,014,756	\$37,443,228.10

1 Game	FREE BONUS	
	10 WEEKS (20 DRAWS)	26 WEEKS (52 DRAWS)
<input type="checkbox"/> \$ 45.	<input type="checkbox"/> \$112.	<input type="checkbox"/> \$ 225.
2 Games <input type="checkbox"/> \$ 90.	<input type="checkbox"/> \$ 225.	<input type="checkbox"/> \$ 450.
3 Games <input type="checkbox"/> \$ 135.	<input type="checkbox"/> \$ 337.	<input type="checkbox"/> \$ 675.
4 Games <input type="checkbox"/> \$ 180.	<input type="checkbox"/> \$ 450.	<input type="checkbox"/> \$ 900.
5 Games <input type="checkbox"/> \$ 225.	<input type="checkbox"/> \$ 562.	<input type="checkbox"/> \$ 1125.
6 Games <input type="checkbox"/> \$ 270.	<input type="checkbox"/> \$ 675.	<input type="checkbox"/> \$ 1350.

Make cheque or bank draft (in U.S. Funds) payable to Canadian Overseas Marketing and mail to: P.O. Box 48120, Suite 1705, 595 Burrard Street, Vancouver, B.C., Canada V7X 1S4.

NAME \_\_\_\_\_

ADDRESS/PO. BOX \_\_\_\_\_

CITY \_\_\_\_\_

COUNTRY \_\_\_\_\_

MASTERCARD  VISA  AMEX  
 BANK DRAFT  CHEQUE

CREDIT CARD: EXPIRY DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_

# Ozal Plot Linked to Ultraright Police in Turkey Capture Gunman

Compiled by Our Staff From Dispatches

ANKARA — Investigations into an attempt to assassinate Prime Minister Turgut Ozal of Turkey are centering on possible links with an ultrarightist group active before the 1980 military coup, security sources said on Sunday.

Mr. Ozal was shot in the hand as he was addressing 5,000 members of his ruling Motherland Party and foreign diplomats in Ankara on Saturday. A second bullet missed him.

Officials said 15 other persons were wounded as the police returned the assailant's fire. "Police fired at random," said a former prime minister, Bulent Ecevit.

The police said they had shot and disarmed Kartal Demirag, a Turk who belongs to the Grey Wolves group, which was blamed for many political killings in the late 1970s.

"We are conducting a wide-scale investigation looking into political links," said a state security court prosecutor, Nusret Demiral. "The attacker is of sound mind and cool and collected. He has shown no signs of regret."

The newspaper Sabah said on Sunday that its Istanbul office had received a telephoned report that Mr. Ozal was shot to protest his attempts to mend relations with Greece.

He returned last week from a three-day visit to Athens, the first to Greece by a Turkish prime minister in more than 35 years.

"The assassination attempt... was made to protest against Ozal's rapprochement with Greece," the caller said, according to the newspaper.



His wounded right hand in a sling, Prime Minister Turgut Ozal of Turkey attends a meeting of the Motherland Party in Ankara.

Mr. Demirag, 32, will probably appear in court within two weeks, the prosecutor added. Newspapers reported that Mr. Demirag had confessed, saying, "I have psychological problems. I did not shoot to kill but fired to get killed."

With his right arm in a sling, Mr. Ozal was cheered when he returned on Sunday. Some delegates called for the resignation of Interior Minister Mustafa Kalemli because of what they denounced as poor security at the congress. (Reuters, AP)

# Dukakis Aide Assures Europe on Arms

By Joseph Fitchett  
International Herald Tribune

PARIS — Governor Michael S. Dukakis's principal security adviser, Joseph S. Nye Jr., has told a diplomatic audience in Paris that there will be "no more loose talk about getting rid of nuclear weapons" from the United States if Mr. Dukakis is elected president.

Speaking at the French Institute for International Relations, Mr. Nye said that there should be "no free gift" for Mikhail S. Gorbachev, the Soviet leader, on disarmament. Many listeners said they were surprised and gratified by the extent to which Mr. Nye stressed that Mr. Dukakis's intentions overlapped some of the firmer policies of the Reagan administration.

At the same time, Mr. Nye said, Mr. Dukakis was committed to more intensive consultations in the Western alliance. Agreement on deploying intermediate-range missiles in Europe, he said, was a model of good consultations.

Mr. Nye, who is mentioned as a possible national security adviser in a Dukakis administration, said some European media had been "silly" in depicting Mr. Dukakis as a naive idealist resembling George S. McGovern, the Democratic presidential candidate in 1972.

Mr. Dukakis's top priority of maintaining the Western alliance, Mr. Nye said Friday, showed that he would not repeat what Mr. Nye called President Jimmy Carter's mistake of putting North-South relations ahead of East-West issues.

In seeking to maintain a military balance, Mr. Nye continued, it would be "foolish" to encourage Japan to exceed its limits on defense spending because a remilitarized Japan would alarm many Asian nations.

Charging that President Ronald Reagan had undermined Western acceptance of nuclear deterrence, Mr. Nye said that a Dukakis administration would consult closely with its allies about a new mix of nuclear and conventional forces to defend Western Europe.

"No more Reykjavik," he said, referring to the political shock in Europe after Mr. Reagan nearly agreed, without consulting European governments, to a Gorbachev plan to eliminate nuclear weapons, at the Iceland summit meeting in 1986.

But Mr. Nye praised the Reagan administration's 1986 bombing raid on Libya and the use of naval forces to escort oil tankers in the Gulf as "reasonable, prudent use" of U.S. military strength.

Mr. Nye, who served as a deputy undersecretary of state in the Carter administration,

said that Mr. Dukakis was better qualified than Mr. Carter because he could "see the big picture" and "hold his own agenda."

And, he continued, unlike Mr. Reagan or Mr. Carter, Mr. Dukakis is "not running as an outsider" seeking to change the main thrust of U.S. foreign policy.

Elaborating on Mr. Dukakis's policies, Mr. Nye said that:

• Soviet behavior on human rights issues would be an important element in deciding about possible East-West coexistence at lower, less-costly levels of armaments.

• Research on a Strategic Defense Initiative would continue, without the Reagan administration's emphasis on early deployment.

• A break could be expected on U.S. policy toward South Africa because the Democratic Party, which believed that apartheid has become a domestic issue in U.S. policy, wanted a tougher approach.

• U.S. troops would remain in Europe, but they might be reduced if the allies agreed to a plan that kept West Germany solidly embedded in Western security systems.

Mr. Nye's trip to Europe was apparently tied to a foreign policy speech by Mr. Dukakis last week, shortly after he clinched the Democratic nomination.

# SUMMIT: Aid to African Debtor Nations Is Stressed at Toronto Meeting

(Continued from page 1)

shita, the Japanese prime minister, and Brian Mulroney, the Canadian prime minister, on Saturday night, was intended to highlight Japan's wider efforts to increase aid to developing countries, Japanese officials said.

In the years from 1988 to 1992 Japan will waive all payments of capital and interest on \$5.5 billion in loans to 17 least-developed countries extended between April 1978 and March this year.

The beneficiaries are mainly in sub-Saharan Africa, but also include Asian countries such as Bangladesh and Burma, said Michihiko Kumihira, chief counselor for external affairs to Mr. Takeshita.

The \$1 billion cost for Japan would be paid out the \$50 billion in

official aid that the country intends to spend over the coming five years in a doubling of its aid effort, he said.

Mr. Kumihira also called on Japan's summit partners to agree that there was an urgent need to increase economic aid to the Philippines to strengthen the position of President Corason Aquino.

At this "very crucial moment in the democratization process" it is important that the Aquino government be backed by all seven countries, not just the United States and Japan, he said.

As for the global economy, Mr. Kumihira said that he "did not have a very acute sense that inflationary pressure is very strong worldwide."

Fears of a resurgence of inflation, and higher interest rates, have

emerged in financial markets in recent days, clouding the general optimism that the seven leaders have been hoping to purvey in Toronto.

But the leaders are unlikely to let such fears dominate a meeting which is primarily intended to convince financial markets that the world economy is on the right track, conference officials said.

Mr. Lawson, who expressed concern about rising inflation in the United States at the OECD ministerial meeting in Paris last month, came to Toronto with a somewhat calmer assessment.

His view, according to British officials, is that the world economy is in pretty good shape and not facing any great danger of inflation or recession.

If there was a risk, however, it

would be "on the inflation side," meaning that particular anti-inflationary vigilance is still required.

# Irishman Arrested

Amid concern about an Irish Republican Army attack on Prime Minister Thatcher at the economic summit meeting, British officials said Sunday that an Irishman arrested by Canadian police was wanted by Northern Ireland police. The Associated Press reported from Toronto.

A spokesman for Mrs. Thatcher said Michael Derek Collins, arrested Saturday for overstaying a one-month visitor's visa, was being sought by the Royal Ulster Constabulary, the British police force in Northern Ireland.

# AIR: Aging U.S. Airports Are Near Paralysis as Planes Crowd the Tarmacs

(Continued from page 1)

fields, even on the 50 that handle 80 percent of the passengers. Since 1974, when the new Dallas-Fort Worth Airport opened, the annual number of American air travelers has more than doubled, to 447.3 million, as have the number of miles they pay to fly, to 404.8 billion. Yet in that same period not one major airport has been built in the United States.

The next airfield, a mammoth \$1.3 billion array of runways, terminals, trains and more than 200 gates sprawling over 44 square miles (113 square kilometers) of high prairie 18 miles northeast of Denver, will not open before the mid-1990s, if ever.

After years of campaigning and negotiating, voters there in Adams County last month approved annexing the land to Denver. But many planning and financing hurdles remain, and local opponents, while acknowledging the need, vow to oppose the site.

Mr. McArthur and others call this the NIMBY syndrome (Not In My Back Yard), which has occasionally hindered plans for any number of projects: landfills, prisons, power plants and — because of noise and traffic, both land and airborne — airports as well.

But unlike action on many such projects, each decision, or non-decision, about an airport affects the nation's larger system. "It's like having an interstate highway system," said Mr. McArthur, "but every interchange is controlled by a different local community."

This is a part of the complex aviation problem that has emerged largely because of the deregulation of the airlines in 1978. Deregulation and the resulting intense competition and lowered fares produced an explosion in air travel, from 240.3 million passengers in 1977 to 316.7 million just two years later. A total of 800 million annual passengers are forecast by 1990.

Today, almost 8 of every 10 Americans have flown, according

to the FAA. Before deregulation, fewer than half had flown. To handle this increase efficiently and profitably, airlines have established a system of hubs and spokes. To reach Austin, Texas, for example, a resident of Akron, Ohio, may first fly to Chicago, then to Dallas, and then to Austin.

This helps an airline concentrate Chicago-bound passengers, Dallas-bound passengers and Austin-bound passengers and to minimize empty seats on all three flights. But it also means that one person must be handled by four airports.

Not long ago, the land on which most of these airports now sit was rural. Stapleton in Denver was sagebrush. Lindbergh at San Diego was tidal mud flats. O'Hare at Chicago was an orchard (hence the ORD designation on luggage tags and navigation maps).

Back then, at San Diego, for example, no one envisioned that fuel-laden jets that would need more than two miles of runway to get into air and fly across the Pacific. So San Diego's lone runway is too short for such takeoffs.

At many older fields, runways were laid out so planes could land or take off into a headwind, avoiding dangerous crosswinds. Jets can land or take off in crosswinds but the old runways cross each other, making one in effect useless.

Meanwhile, with the rural isolation long gone, local antagonism has grown along with the surrounding populations. At Chicago, for instance, Midway and O'Hare are surrounded now by businesses, schools and homes, and many of the airports' neighbors campaign fiercely against prevailing noise let alone any expansion.

Airports these days are frequently self-contained communities. They have their own shopping malls, hot dog stands, bakeries, barber shops, churches and health clinics, their own hotels, bus fleets and radio stations, their own crime rates, police forces and groups of homeless who migrate between terminals ahead of security patrols.

Last year, O'Hare travelers consumed nearly 2.5 million hot dogs and the parking concession had in-

come of more than \$31 million. About 40,000 people work at O'Hare, and the airport contributes about \$10 billion to the economy. La Guardia, Kennedy and Newark airports account for 3 percent of the New York area's gross regional product.

The airlines are fast moving toward larger and quieter planes. The 50 new Boeing 757s that American recently ordered will seat 186 instead of the 118 in the noisier 727s they will replace.

New York's airports have no room for more runways but are spending \$4.5 billion over the next decade to rebuild the three fields, a process one official likened to performing open-heart surgery on a marathon runner during a race.

"We're looking a real crisis in the face," said Bill Cahill, a spokesman for the Port Authority of New York and New Jersey, which runs the airports. New York's efforts will involve more taxiways, new terminals, trains linking terminals and rerouted highways to move private cars, taxis and buses more quickly.

# JEW: Israel Issues an Ultimatum to Soviet Emigrants

(Continued from page 1)

a status that limits their chances of settling in other countries. Reports from Moscow said that to travel to Bucharest, an emigrant must first order a Bucharest-Tel Aviv airline ticket. In April, Jews in Moscow said they began receiving official emigration papers from Israel that permitted only travel to Bucharest and Tel Aviv.

After Sunday's Cabinet decision, Israel radio quoted Prime Minister Yitzhak Shamir as saying: "Every other decision would be interpreted by Soviet Jews as treason and support for the drop-outs."

The move was opposed by Yitzhak Peretz, the interior minister, who said Israel "should save every Jew wishing to leave a country of distress."

Meanwhile, Israeli officials said Sunday they would open talks with Egypt on their Tabas border dispute and they would ask international arbitrators to delay a decision on who should control the tiny Red Sea territory.

Mr. Shamir, Foreign Minister Shimon Peres and Defense Minister Yitzhak Rabin decided to send Robbie Sabel, the Foreign Ministry's legal adviser, to Washington this week to arrange talks on the six-year-old dispute, Israeli officials said.

Mr. Sabel will meet Nabil al-Arabi, the Egyptian representative on Tabas, and Abraham Sofaer, the U.S. State Department official who has been trying to get the two countries to resolve the issue.

Israeli officials said Egypt had

dropped its condition to start talks only if guaranteed sovereignty over the 700-meter (750-yard) coastal strip, where Israel has built a luxury hotel.

In the occupied Gaza Strip on Saturday, troops fired at protesters throwing firebombs, killing a 17-year-old Palestinian and wounding two others.

An army spokesman said Sunday that three youths were wounded in clashes during the night with troops at the Balata refugee camp near Nablus in the occupied West Bank.

Commercial activity in the occupied territories was slow but most schools were open following clashes between students and troops on Saturday, when classes resumed after a two-day closure.

# PENTAGON: Scandal's Origin

(Continued from page 1)

with material useful to military contractors. That single operation led investigators to an interlocking network of consultants and a far-reaching fraud case that is shaking the multi-billion-dollar military-industrial complex to its foundations.

Investigators have not disclosed the names of the former navy employee or the consultant who began cooperating in the investigation.

If the allegations in the inquiry are confirmed, it would appear that the bidding system for awarding some military contracts was corrupted into an underground economy in which consultants trafficked in information about military contracts.

While federal officials remained reluctant to discuss in detail what was dubbed "Operation III Wind," they made these points about its origins and scope in interviews last week:

• About 20 people in the Defense Department, mainly employed by the marine corps and navy, are being investigated in connection with providing inside information to consultants, who, in turn, gave it to various military contractors. Some officials were reported to have received money. Others were offered jobs after they left the Pentagon. A few gave the information simply out of friendship.

• For the first time in a military procurement case, the inquiry made extensive use of court-authorized wiretaps. They were manned 24 hours a day by agents from the Naval Investigative Service and the FBI.

• Investigators have evidence that some of the executives at military contractors were aware that valuable information had been obtained through payments to Pentagon officials.

• Although more than 100 federal agents in the Naval Investigative Service and FBI knew about the inquiry, it was kept secret for nearly two years. Investigators said they had no indications that those under scrutiny were aware of the wiretaps. The decision to make the investigation public, they said, was based solely on a conclusion that little more useful evidence could be derived from the surveillance.

• Several consultants were free-wheeling in their approach to the information, working simulta-

neously for competing companies. In some instances, a consultant with a source of information inside the Pentagon struck deals with other consultants who had relationships with the appropriate military contractor.

After the first consultant's cooperation was won by the investigators, the case proceeded for several months on the basis of "consensual" recordings in which the consultant wore concealed recording devices. He also allowed federal investigators to tape-record his phone calls.

For several months, investigators said they listened with growing interest as various people inside and outside the government were mentioned in conversations. This, in turn, led investigators to put devices on telephones that provide a record of each number called.

By early 1987, Federal investigators were convinced they had a major fraud case on their hands and believed they could show a federal judge sufficient "probable cause" to be given permission to install a wiretap on the telephone of a Washington-based consultant whose office was searched last week by federal agents.

# LEHMAN: Links Are Probed

(Continued from page 1)

nearly a decade ago. Mr. Lehman recruited Mr. Paisley as a former assistant secretary of the navy in 1981, and he served as research chief until 1987.

Law enforcement sources identified Mr. Paisley as a figure in the probe of Pentagon contracting. His home and office were searched Tuesday.

Mr. Lehman, who resigned as navy secretary in April 1987, was the same month Mr. Paisley was consulting business, contacted reached for comment. Mr. Paisley said he was close to Mr. Lehman and his wife, but he said he was not sure they suspected their phone was tapped.

The Washington Post said Saturday that according to leaked Pentagon memoranda introduced in a federal court in Alexandria, Virginia, the retired defense, Caspar Weinberger, was informed several days ago that Mr. Lehman's office was the "principal point of contact" relating to contractors.

The memo was prepared for a meeting between the two men in which Mr. Weinberger was to question Mr. Lehman about this problem. Whether the meeting occurred is not clear, and there is no explicit connection between the memo and the newly disclosed investigation.

**WORLDWIDE ENTERTAINMENT**

**MAIRIE DE PARIS**  
THEATRE, MUSIC AND DANCING IN THE CITY  
**WEDNESDAY, JUNE 22 at 6:30 P.M.**  
Arènes de Lutèce, 49, Rue Monge, Paris 5<sup>e</sup>.

**BIG JAZZ CONCERT**  
Ivan JULIEN Orchestra  
Seats: Fr. 60 - Fr. 30 (Red.) - Resev. FNAC - At the door one hour before the concert.

**FRIDAY, JUNE 24 at 11 P.M.**  
Gardens of the Sacré-Coeur  
**MIDSUMMER'S NIGHT**  
Big fireworks display  
Produced by Jacques Guiry  
FREE ENTERTAINMENT - Information 42 77 19 90

**Le Musée National de l'Amitié Franco-Américaine de Blérancourt**

remercie les Sociétés suivantes qui, par leur générosité, contribuent à la rénovation du Musée :

**Grand Bienfaiteur**  
Rockwell International

**Bienfaiteur**  
American Express France

**Donateurs**  
AT & T France  
Pierre Alechinsky  
Cartier  
Chanel  
Château Haut-Brion  
Christian Dior  
Coca-Cola France  
Domaines Barons de Rothschild  
Groupe Expansion  
Hôtel Maurice  
International Herald Tribune  
Kaufman et Broad  
Louis Vuitton  
Matra/Hachette  
Moët-Hennessy  
Nina Ricci  
Pan Am  
Les Parfums Oscar de la Renta  
Shearson Lehman

**INTERNATIONAL CLASSIFIED**  
(Continued from Back Page)

<b>ESCORTS &amp; GUIDES</b> <b>REGENCY</b> WORLDWIDE ESCORT SERVICE NEW YORK & LONDON Tel: 212-638-3027 USA	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESCORT SERVICE</b> 51 Beachwood Road, London W12, U.K. Tel: 01 594 6137/79/84 (4/2 pm)	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + CAROLINE</b> ESCORT SERVICE 01 / 252 61 74	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + MELODE</b> ESCORT SERVICE Tel: 022/461158	<b>ESCORTS &amp; GUIDES</b> <b>GENEVA + LOVELY</b> * ESCORT SERVICE Tel: 01-264-3105	<b>ESCORTS &amp; GUIDES</b> <b>CHEREA ESC</b>
---	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	---	--	--

كذالك

# Soviet Reform Meeting Will Seek 3-Year Delay In Most Radical Steps

By Gary Lee  
Washington Post Service

MOSCOW — A Communist conference starting here June 20 to give general approval to Mikhail S. Gorbachev's economic and political reforms, but it recommends postponement for years of final decisions on the radical proposals, according to Soviet officials.

In an interview, Valentin M. Falin, director of the Novosti press agency, detailed how Mr. Gorbachev and the leadership planned to meet for a four-day meeting of 5,000 party delegates to discuss, debate and integrate views on reform programs. In recent years, some elements of the reforms have come under public

outlined by Mr. Falin, who is a candidate member of the Central Committee, the agenda for the 19th conference seemed less ambitious in scope and more limited in priority than Mr. Gorbachev's proposal of a year and a half ago for a forum to overcome stagnation in his reform drive.

Falin said the conference's agenda is the result of a debate by party officials about what changes will be allowed by party rules.

The gathering will not have power to make new Central Committee decisions, authorize further reforms or alter party rules — steps favored by some party radicals.

Falin said that a proposal to the terms of Central Committee members and other party officials introduced by the leadership discussion, could not be entered by the delegates. Instead, he said the measure could be

## Latvian Elections Begin Sunday

The Associated Press

RIGGA, Latvia — The Communist Party held national elections for the first time since 1945, the official Latvian agency said Sunday.

The elections, scheduled next week, will be for representatives in 13 districts throughout the country. These district elections are to be followed in November by provincial and national elections.

A Supreme People's Assembly, formed in 1975, has drafted a constitution and an election code. The constitution is to be ready next year.



Soviet policemen leading away a protester in Moscow on Saturday during a rally demanding a system of free elections.

# A 'Devil' to the Soviets Finds Russia Changed: He's a Devil No More

By David Remnick  
Washington Post Service

MOSCOW — In the dark, weary days before Mikhail S. Gorbachev assumed power in 1985, Richard Pipes was a "devil" to the Soviet Union. As both a historian and an adviser on Soviet affairs in the Reagan administration's first term, Mr. Pipes epitomized the hard line.

"They really hated me here," he said. "I was pure evil."

He is here now on his first trip to the Soviet Union in 13 years, and he cannot quite believe all that he is hearing and seeing.

A few days ago, Mr. Pipes was sitting in his room at the National Hotel, near Red Square, watching a television documentary called "Cathedral." He was impressed. "In fact, I was stunned," he said.

"First they showed the dynamiting of churches during the Stalin era. Then a young woman came on the screen — not an old babushka kissing icons, not that stereotype —

but a young, pretty woman with a spiritual face, and she said with great conviction, 'You have to believe in God. Otherwise, you are dead. Religious faith keeps you alive.'"

On another channel, Mr. Pipes watched a former alcoholic in the Ukraine tell an interviewer that he now had 150 head of cattle and earned nearly \$30,000 last year, vastly more than average.

Still later, Mr. Pipes heard Vitali Korotich, editor of the weekly Ogonyok — a main forum for critical articles — question the Communist Party's control of the Soviet state. "It was absolutely non-Leninist," Mr. Pipes said.

Mr. Pipes, 64, was born in Poland and lived there until his family escaped the Nazis in 1939. As an academic, a professor at Harvard, he visited the Soviet Union seven times before 1975.

Since then, his work for the National Security Council in 1981-82, constant denunciations of him in the Soviet press and, also, just a lack of interest, kept him away.

"There was really no sense in going," he said over lunch at an Uzbek cooperative restaurant. "I mean, what was really so different about the Soviet Union in 1975 and now, say, 1983? Nothing."

The other night, Lev Timofeyev, a prominent dissident and the president of a small, unofficial "university" in an apartment, invited him to give a lecture.

In a room choked with benches and people and wool and the thick haze of Russian cigarette smoke, Mr. Pipes spoke of the need for the Soviet Union to adopt "the Western way" of private property and individual, legal rights.

"There were a lot of people in the room who take Solzhenitsyn's view that everything after the revolution is awful and everything before was glorious," Mr. Pipes said.

The changes under way became evident to Mr. Pipes when Moscow News published two of his articles.

And an article in Novy Mir referred, rather positively, to one of Mr. Pipes's seemingly most anti-Soviet ideas — that the lack of private property has been a principal barrier to democracy and participation in public life.

Still, Mr. Pipes is "cautious" about the course of reform in the Soviet Union, saying that the publication of once-forbidden books is "relatively easy" compared with the task of economic and political reform.

"The lessening of fear here is genuine," he said. "That can't be faked. But the contradiction is still in place. The police are in place."

# Yugoslavs Move Closer to Open Market Economy

By Jackson Diehl  
Washington Post Service

BEIGRADE — Yugoslavia's Communist leadership, frustrated by years of economic crisis and Europe's highest inflation, is moving to abandon key elements of the unique economic and social system installed by the postwar leader, Josip Broz Tito.

Under a consensus taking shape among party and government officials from the country's eight semi-autonomous republics and provinces, the practice of self-management by workers and the steering of the economy through broad social pacts, conceived by ideologist Edvard Kardelj and put in place by Tito during the early 1970s, could be largely dismantled.

In its place, Yugoslavia would seek to create an open market economy with substantial private and cooperative sectors that would differ from Western capitalism chiefly in its relatively larger degree of nationalized industry, party and government officials say.

The reform drive comes as workers have taken to the streets to press their demands for changes in the system and higher pay. Thousands of striking workers from a Belgrade tractor factory marched on parliament Friday and led a demonstration outside, chanting, "We want bread," and, "Thieves."

The labor protest was the largest demonstration since the government imposed austerity measures a

month ago. About 5,000 workers from the Zvezda factory and at least two other companies marched to parliament and were permitted by police to walk along central Lenin Boulevard, according to United Press International. The police prevented another 5,000 from joining the protest.

As envisioned by a special reform commission headed by Prime League of Communists early in June, must still survive what officials say will be a bitter battle between reformers and hard-liners, as well as clashing provincial and republican interests. Extensive constitutional revision would be necessary to fully implement the plans.

Nevertheless, Yugoslav federal government officials and representatives of some key republics say

The government made the first moves toward deep reform in late May by implementing a radical program of market liberalization and fiscal austerity under a new agreement with the International Monetary Fund (IMF).

Under the plan, Yugoslavia expects to receive a total of \$1.4 billion in new loans from the World Bank. Western governments and commercial banks over the next year, in addition to relief on payments of its existing \$21 billion in debts. In exchange, the government has freed prices of 60 percent of goods, liberalized imports, created a free foreign exchange market, and imposed strict controls on both state spending and wages.

The new measures, which aim to reduce inflation from 150 percent in May to around 95 percent by December, have meant more hardship for long-suffering Yugoslav consumers and another wave of strikes and protests for the government to manage. Prices of meat, beverages and other consumer staples, which had been frozen for several months, have doubled in the last few weeks even as some firms have been forced to reduce their workers' wages.

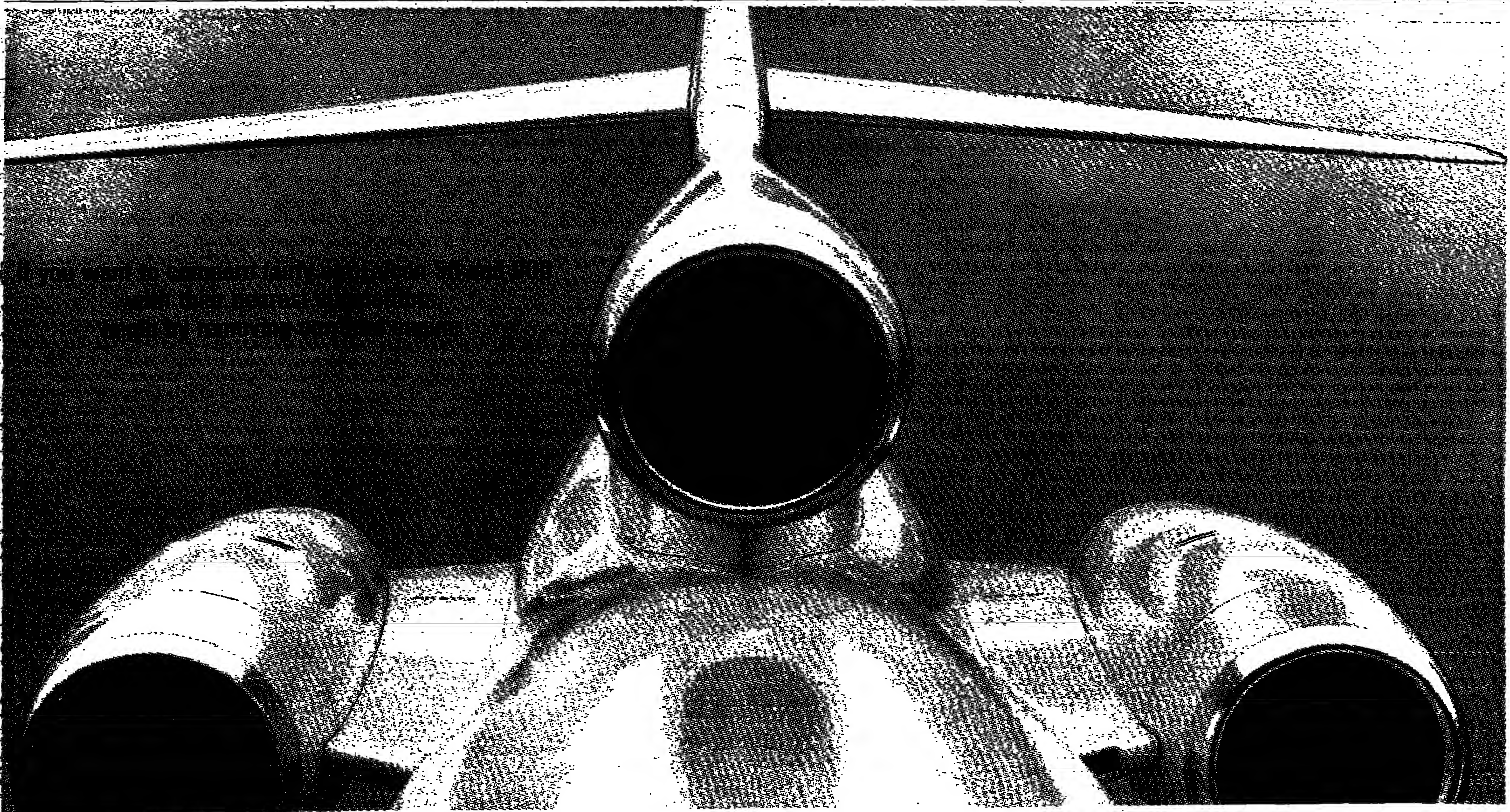
Store sales slumped in June and strikes have broken out in big industrial firms around the country.

The unrest has raised the question of whether the new stabilization program, like several that have

The practice of self-management by workers and the steering of the economy through broad social pacts, conceived by ideologist Edvard Kardelj and put in place by Tito during the early 1970s, could be largely dismantled.

Minister Branko Mikulic, the new model would approximate the most radical plans for reform of socialism now being considered by Soviet Bloc economists. In that sense, Yugoslavia, which since breaking with Moscow in 1948 has sought to cultivate a unique variant of Communist rule, would move toward a convergence of policies and economic interests with Warsaw Pact neighbors such as Hungary.

The landmark reforms, which were presented to parliament and a special conference of the Yugoslav



## The three-engine Falcon 50 and 900. Executive jets as safe as airliners.

Of course you could stick with comparing operating ranges, cruising speeds, usable cabin space the soundproofing of other private jets. Which, between us, would only again highlight the advantages which are the strength and reputation of the Falcon the world over.

But the comparison stops there for one very simple reason. The Falcon 50 and 900 have three engines.

Use of a third engine positions both of these aircraft at the very strictest level of safety, that imposed

on airliners making overwater flights via the shortest routes. This provides the aircraft with additional power always at the ready for the systems which ensure your comfort and safety.

To understand the essential role, vital in the power factor, especially when flying over inhospitable zones, just

keep in mind the importance of the on-board electronics of a long-range aircraft.

Objectively speaking, the security offered by the three-engine Falcon is comparable to that of commercial airliners, not of other corporate jets in their class. This is of course why executives prefer the Falcon 50 and 900.



### Business takes off with Falcon

Dassault International

Please send me a colour brochure. FALCON 50  FALCON 900

I would like a sales presentation.

Name/Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Country \_\_\_\_\_

Zip \_\_\_\_\_ Phone \_\_\_\_\_

Now flying a \_\_\_\_\_

Please return this coupon to Mr. Paul Delorme, Dassault International, 27 rue du Professeur Fautsch, 92420 Vaucresson France. Tel: (33-1) 47-91-79-21. Telex: 203 944 Amadax.

Now Printed in the For Some Day Key American

INTERNATIONAL Herald Tribune

Small Expectations

All the vibrations indicate serenity and good feelings this week in Toronto. The chance of serious friction or even serious discussion is low — lower than last year or in most years — as the seven big industrial democracies meet for their annual session on economic strategy.

Zia Promises Again

Mark Twain once remarked that giving up smoking was easy; he'd done it dozens of times. President Mohammed Zia-ul-Haq of Pakistan has no difficulty talking about democracy and constitutional rule; he promises them all the time.

Business as Usual?

Senator Charles Grassley, an Iowa Republican, says that the breadth of the defense procurement scandal now unfolding is "beyond the wildest imagination," while his colleague John Warner, a Virginia Republican, calls it "the most widespread case I or anyone else has ever seen."

Other Comment

Other Parties in Toronto: The G-7 meeting is expected to be noteworthy not so much for the matters discussed but for its cast changes. The Toronto get-together is Ronald Reagan's last economic summit and Noboru Takeshita's last. Critics say that Mr. Takeshita is basically unopinionated and does not comprehend global issues.

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982. KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen. LEE W. HUBNER, Publisher. JOHN VINOCUR, Executive Editor. WALTER WELLS, News Editor. SAMUEL AIT, KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors.

Time for Moderates Is Fast Running Out

By Flora Lewis

PARIS — Prime Minister Yitzhak Shamir said after a firebomb attack in Tel Aviv on June 12: "The conflict is over survival. We are talking about injury to our social being, and such should be our defense." Reported deaths since the extraordinary decision of the Israeli Defense Ministry authorizing civilians as well as soldiers in the occupied territories to shoot Palestinians "who are seen holding firebombs in their hands" stops little short of wartime firing at the enemy when he shows his head.

severely beaten an Israeli construction foreman near Kiryat Arba. "Terribly sorry," they said, "we thought he was an Arab." They had shouted at him in English and he didn't understand. Who is to decide which is the enemy? Those who insisted six months ago that only a tough Israeli response could restore order, and who complained that Israeli "enforcers" were being unfairly criticized, are getting their answer. More trouble, more hatred, more destruction.

For Peace Talks Between Israel and the Palestinians

WE the undersigned urge immediate international attention at the highest level to foster negotiations between the state of Israel and the Palestinians, based on mutual recognition of national legitimacy and the exchange of territory for peace. The bloody violence and loss of life in the disputed territory underscores the urgency of constructive negotiations. Now is the time for a Declaration of Peace for the Middle East.

timians but also the Arab states in conflict with Israel over substantive issues. An international conference including active roles by the United States and the Soviet Union can facilitate bringing the various parties together, establishing assurance of fairness and opening the way for substantive bilateral negotiations.

Philippines: Economics Should Have Priority

By Amando Doronila

MANILA — A proposal for \$10 billion in aid from a group of Western and Asian countries to assist economic recovery in the Philippines is meeting strong reservations from vocal segments of public opinion here. This surge in skepticism is unfortunate because it occurs as efforts to build international support for the multilateral aid plan are gaining momentum.

considered by the United States to be among the most strategically important in the Western Pacific. They help counter Soviet power in the region and support a U.S. military presence in the Indian Ocean and the Gulf. A postwar history of unequal military, economic and political relations between the United States and the Philippines contributes to a deep-seated suspicion among Filipinos that any "aid" initiated by the United States has strings attached. The nationalists and the left, including the outlawed Communist guerrilla movement, suspect that approval of a multilateral aid package will come only if Manila agreed to continue allowing American forces unhindered operations from Clark Air Base, Subic Bay Naval Base and other military facilities.

from occupied territories to Israel proper is some sort of breach of tacit rules, as if Palestinians had accepted the division of territories, albeit without peace, which he himself rejects. He is probably right that the longer the confrontation continues, the more Arab hopes to destroy Israel altogether are fanned anew. Both sides are being driven to mounting violence, and the question comes nearer of how long it will be that guns are available to one side only.

George Shultz keeps plodding doggedly around the Middle East, without much hope of at last engaging in negotiations but trying at least to keep up the appearance of some kind of peace process. But there probably will be no breakthroughs before the U.S. elections in November. By then Israel will also be holding elections, and the signs are that Mr. Shamir will win against the seemingly more moderate but indecisive Labor Party leader, Shimon Peres. And Mr. Shamir will have Ariel Sharon, the former general, urging him to take off what safety catches remain on Israeli arms.

Putting flesh on the bones of the skeletal proposal for the Philippines will take a lot of work. But some Asian leaders, such as Prime Minister Lee Kuan Yew of Singapore, are campaigning for it. They believe that the resources can be assembled. The biggest obstacle lies within the Philippines itself. Middle-class nationalists, who are essentially economic protectionists, maintain that such an aid plan would impair the country's sovereignty. The left, riding this nationalist wave, argues that it would deepen the Philippines' dependence on the international capitalist system.

The most relevant issue, however, is whether the Philippines is prepared to seize every available chance of development and internal progress. It is a number of other countries in East Asia have already achieved. With economic strength comes room for maneuver to increase political independence.

The writer, editor of The Manila Chronicle and a prominent political analyst, contributed this comment to the International Herald Tribune.

For a Political Conversion to Growth

PART of the West's problem is lack of confidence. It has been so hampered in the last 15 years by OPEC, inflation and recession that it cannot recognize a good day when the sun shines. But we are in the sixth year of sustained growth. The June 9 OECD figures tell us that the economic outlook for the industrialized countries exceeds all expectations.

The Toronto summit package of debt relief for Africa will do little for the world economy at large. Most of Africa is so poor to count. The really important issue is the Latin American and Filipino debt, together with that of the African countries which carry economic cloud — Ivory Coast, Nigeria and Morocco, which are not included in the present package.

Most of them have gone about as far as can be expected to sort out their end of the problem. After years of belt-tightening, they now export more than they import, and since 1985 they have resumed economic growth. But it is slow. Per capita income is still shrinking, and so is their buying power.

The issue, as with arms control, is not the method; experts can work that out in their cloisters later. It is the political decision to judge that the time is right. The IMF recently warned that if further bank money is not forthcoming, the effort to solve the debt problem may collapse.

The banks need political leadership. Toronto is the occasion to pull all this together. The West is at a historic juncture. When everything is going for it — economic success, peace with its principal political adversaries — surely the time is right to put the globe on a new trajectory, with economic well-being becoming the norm.

From a syndicated column by Jonathan Power.

100, 75 AND 50 YEARS AGO

1838: Foreign Missions. LONDON — The general conference on foreign missions, with 168 delegates from the United States, was brought to a close [on June 19] with a meeting in Exeter Hall, at which about 2,000 persons were present. A telegram from the Archbishop of Canterbury, expressing sympathy with the objects of the conference, was read, as was a letter from Joseph Cooke of Boston, in which the writer contended that at least one missionary should be sent out to every 50,000 unconverted people, "for, if the saved nations don't fill the world, the unsaved ones speedily will."

1913: Shirt-Sleeve Golf. LONDON — Golf in shirt sleeves is a matter of impassioned discussion. R. Harris, representing golf on the Stock Exchange, said: "As a rule, the American players adopt our habits as regards dress when they come over here. I can only say that I have only

The Chinese Are Rooting For Glasnost

By Liu Bin

LOS ANGELES — Few countries outside Eastern Europe are more concerned than China with the success of Mikhail Gorbachev's reforms. Just as China's achievements in economic reform have inspired Soviet reformers, so the fate of Mr. Gorbachev's political reform will have considerable influence in China, which trails far behind the Soviet Union in this respect.

Mr. Gorbachev, unlike the Chinese reformers, has always made political reform a priority. Changes in the Soviet press have been especially evident in China. No mainland Chinese newspaper has been allowed to match the way the Soviet media boldly expose political mistakes, stimulate discussion of political questions and explicitly challenge conservative views.

The Chinese are no less interested in social and political issues. From 1978 to 1980, when The People's Daily was unusually frank and courageous, its circulation rose to seven million. Later, as the paper reverted to a more cautious style, its circulation dropped by half. In the Soviet Union, with a population of more than 280 million, Pravda circulates more than 10 million copies. Even allowing for lower literacy rates and less average buying power in China, there is no reason why a population of more than a billion should produce a newspaper readership smaller than Pravda's.

I argued in a speech in China in 1984 that the cover-up of issues in Chinese political and social life drives the people from the Communist Party and increases their indifference. I said: "Our level of democracy will be determined by our degree of openness; because democracy, to a large extent, is the right to choose." My term "openness" was meant in quite the same sense as the glasnost advocated by Mr. Gorbachev in 1985. Yet China still has no glasnost.

Russian reformers enjoy one distinct advantage over the Chinese in the pursuit of glasnost. Mr. Gorbachev represents a new generation of leaders who were not shaped by the Stalin era. While reformers in both countries must contend with a strong authoritarian tradition, Stalin has been dead for 35 years. Mao Zedong died in 1976. Moreover, Stalin, unlike Mao, valued the utility of intellectuals. Today there are proportionately more intellectuals in the Soviet Union, with more jobs open to them, than in China.

A postwar history of economic development and internal progress makes it harder for Russian reformers to argue convincingly for perestroika. The Chinese reformers, who have no such legacy to argue against, have met less resistance in reforming the economy. Another factor favoring China's reformers is the Cultural Revolution, which devastated both the culture and the economy. While Mao's influence still grips many in the political elite, the experience of the Cultural Revolution has cured many Chinese citizens of the superstitious belief in personal authority and freed them from political dogmatism. The Chinese people today cannot possibly be as blindly obedient and docile as they were. They have learned to think for themselves.

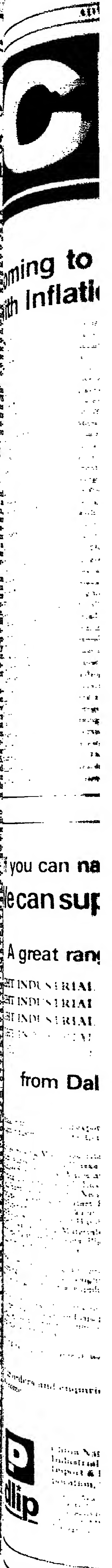
This energy, newly unleashed by economic reforms in China, is a partial success. Tens of millions of Chinese have escaped economic relationships of dependency to take charge of their own lives and to pursue their own economic interests. Yet the success is limited by the old, immutable political system which has not kept pace with the demand for reform. The huge and ever-expanding bureaucracy continues to threaten individual interests.

Tens of millions of Chinese are still without adequate food and warmth, and severe inflation is causing many everyone's standard of living to fall. These facts stand in sharp contrast to the extravagant luxuries enjoyed by those who retain power and privilege. All these conditions contribute to a tremendous thirst for change. The great popular yearning is a key reason why economic reformers have had more success than their Soviet counterparts. Now they hope that Mr. Gorbachev is as successful in the political realm as they have been in the economic. That could give the push they need to bring political reform to China.

The writer, formerly a reporter at The People's Daily in Beijing, is a visiting lecturer at the University of California at Los Angeles. He contributed this comment to The New York Times.

once seen an American golfer in his shirt sleeves. This was 'Chic' Evans at Prestwick, in 1911, playing a championship game. He was at the 18th hole and in a bunker. He took off his coat and got out of the bunker. Most of us survived the incident."

1938: Goddard's Dream. PARIS — People who want to get off the earth may look back some day to the Eden Valley of New Mexico as the aviators now honor the beach at Kitty Hawk. In Eden Valley, Professor Robert H. Goddard is continuing his researches with rocket aircraft. From Eden Valley came news of a new steering mechanism able to keep the rocket on its intended upward path even after its fuel is exhausted, instead of letting it turn back prematurely toward the ground. From Eden Valley may come, some day not far in the future, news that a new rocket has at last pierced the veil that hides us from full knowledge of the stars, the veil of atmosphere.



Handwritten signature or mark at the bottom of the page.

# CHINA

In the ten short years in which China has been liberalizing its economy, it has also gone through a crash course in the triumphs and tragedies of capitalism.

## Coming to Terms With Inflation

CHINA'S economic growth has been remarkable. Its modernization program and vigorous export drives have produced annual GNP increases that would be heroic were it not for the relatively minor role that its economy plays in the global market. But the price of economic reform is now being paid, and it's an alarming one.

Similar inflationary trend — too much money around and too little available to spend it on.

The relatively massive influx of foreign investment — also vital to economic redevelopment — has only aggravated the inflationary spiral. Many joint venture enterprises have had to pay premiums and often overinflated salaries, employee benefits, site rents and other costs to hungry local authorities — a problem which is only now being tackled to some extent with open-market employment policies in major centers like Shanghai and Beijing.

Inflation is running at a national level of seven percent, according to the Beijing government, but has been put as high as 20 percent in some areas by independent observers. Not only that, it is confronting the government with a political challenge as serious, if not as grave, as anything faced by the Western industrial powers in the 1970s.

This free market inflation is giving the government a major social headache. In the major urban centers — Beijing for example, where an "official" eight percent hike in retail prices meant a drop in real income for nearly half the population last year — inflation is being cited as a prime cause of public discontent, and a dangerous one at that. With supreme irony, it is also blocking a crucial price adjustment program which will, in effect, bring even more inflationary pressure to bear on the consumer.

Inflation has been inevitable in China's dramatic economic change of course from rigid central planning and control to widening free enterprise. Wherever wages and prices have been unshackled, largely in the newly emerging consumer manufacturing and service industries, they have risen swiftly. The export boom, essential for the foreign exchange needed to bankroll the modernization program, has siphoned away consumer production and produced a fa-

During the three decades of revolutionary rule, prices of many essentials and a range of



Open market employment policies are being introduced in major centers like Beijing.

basic consumer goods were under strict government control in what would have continued to be a classic system of socialist cost-of-living subsidization, had the whole system not swung onto the capitalist course. What has happened since then is that prices for many commodities have been completely out of tune with actual production costs, and this has caused actual economic damage.

Take the case of the sugar industry: it's been reported that because the retail price of sugar hasn't changed for the past 20 years, more than 40 percent of China's sugar mills have gone deeply into the red or closed down altogether, their production costs zooming way above their incomes. The same prospect threatens the crucial energy and steel industries. Western bankers, particularly, have warned that controlled steel and coal prices are so unrealistically low that it is impossible for these industries to become profitable.

Aware itself of the perils, the government published an economic masterplan in 1986 earmarking price reform — lifting controls and allowing prices to be dictated by market forces — as one of its priorities over the next five years. The intention is still there, and is being promoted as a move essential to the development of the economy, but the plan itself has fallen foul of rampant free-market inflation. With prices rising all over the place, and with millions of people angry about it, this is no time to add to the inflationary spiral.

In fact, the opposite has happened — controls have been stiffened on the rapidly rising prices of some essential consumer and industrial goods and such basic commodities as

meat, poultry, eggs and food-grain for the pork industry. And another bitter implication of capitalism has become all too clear.

Pork prices have been inflating because of a pork shortage, caused in turn by price controls and rising feed costs which have made pork production uneconomic. In order to offset public unrest, the controls will remain in place, at least for the time being. And for the pork industry, as indeed for almost every other major industry struggling to come to terms with the new capitalist way in Chi-

na, this means that production will continue to lag behind demand, continuing to create the inflationary state of affairs that price subsidies are supposed to hold down.

Inflation is seen as a consequence of capitalism that China will have to live with until the essential antidote is arrived at — a level of economic production that exceeds or at least satisfies consumer demand. But radically increased productivity is what the modernization program is all about, and by China's own reckoning it will be at least the year 2000 before it can regard itself as anything approaching a modern society. And this confronts the economic helmsmen in Beijing with another inflation-based dilemma.

A prime example of the productivity problem is refrigerator production in Shanghai. Last year, the demand for refrigerators topped 470,000, but the local industry could supply only one-seventh of that because of a shortage of imported key components. These parts were scarce because imports had been reduced. Why? Because of sharply rising prices. Inflation.

It's not the specter of an inflation rate sparking off serious social unrest that worries the government — by all accounts, it's felt that after the tumult and hardships of the Cultural Revolution the vast majority of Chinese have had enough of rage in the streets. What is far more worrying is the effect that continuing or soaring inflation will have on the delicate political balance of conservatives and progressives that has allowed the entire modernization and "open door" program to go ahead. If inflation gets out of control it will strengthen, and to some extent vindicate, the hide-bound revolutionaries in the political structure whose view of China's brave new economic course is that it will end in tragedy, not triumph.

This vicious circle encompasses each move in the productivity campaign. Much of the increased foreign investment and technology transfer, vital to the campaign to upgrade plant, machinery and in-

dustrial infrastructure, comes with an inflationary price tag on it. Worker bonuses and incentives mean increased production costs, and have a distinctly disreputable stain on them anyway — they've been too liberally distributed and taken too much for granted in the past.

— Derek Maitland

If you can name it, We can supply it.

A great range of

- LIGHT INDUSTRIAL PRODUCTS
- LIGHT INDUSTRIAL PRODUCTS
- LIGHT INDUSTRIAL PRODUCTS
- LIGHT INDUSTRIAL PRODUCTS
- LIGHT INDUSTRIAL PRODUCTS

from Dalian.

We deal in the import and export of a great range of light industrial products, to name a few:

- Bicycles, Sewing Machines, Glasswares, Enamelwares, Thermos Flasks and Ice Bottles, Stainless Steel Hollow Wares and Flatwares, Sporting Goods, Household Electrical Appliances, Metal Hardwares of Daily Necessity, Canvas Products, Cosmetics, Sanitary Products, Paper and Paper Products, Clocks and Watches, Shoes and Boots, Suitcases and Handbags, Toys, Sheet Glass, Building Materials, Wooden Products, Leather Products, Plastic Products, Stationery and many more.

We welcome processing and production according to customers' designs, designated brands using customers' supplied materials.

We also act as agent for the importation of light industrial technology and equipment for corporations and other economic organisations in and outside of China.

So long as you can name it, we can supply it.

Your orders and enquiries are most welcome.



China National Light Industrial Products Import & Export Corporation, Dalian Branch. Add: 10, Xi'an Road, Dalian, China. Tel: 404427. Telex: 86338 DLIP CN. Cable: DLINDUS DALIAN. Manager: YAN BAO ZHU.

## The World Is Our Market



Over the years, our corporation has fully utilized the political and economic advantages of Dalian as an open coastal city, and its solid industrial and agricultural foundation to increase our market share globally.

The history of Dalian in exporting minkskins goes way back. With large breeding farms and abundant experience, the minkskins exported by Dalian are high in quality, with excellent color, neatly trimmed hair and high hair density. No wonder they enjoy a high reputation in the world market.

Besides minkskins, our corporation also handles a variety of products, including mixed fabrics products, plastic packaging products, candles, edible mushrooms, salted vegetables, dehydrated vegetables, edible wild herbs, feedstuffs, bristle brushes, carpets, leather products, smooth laver, pure sheep's wool, honey, timber and its products and down products etc.

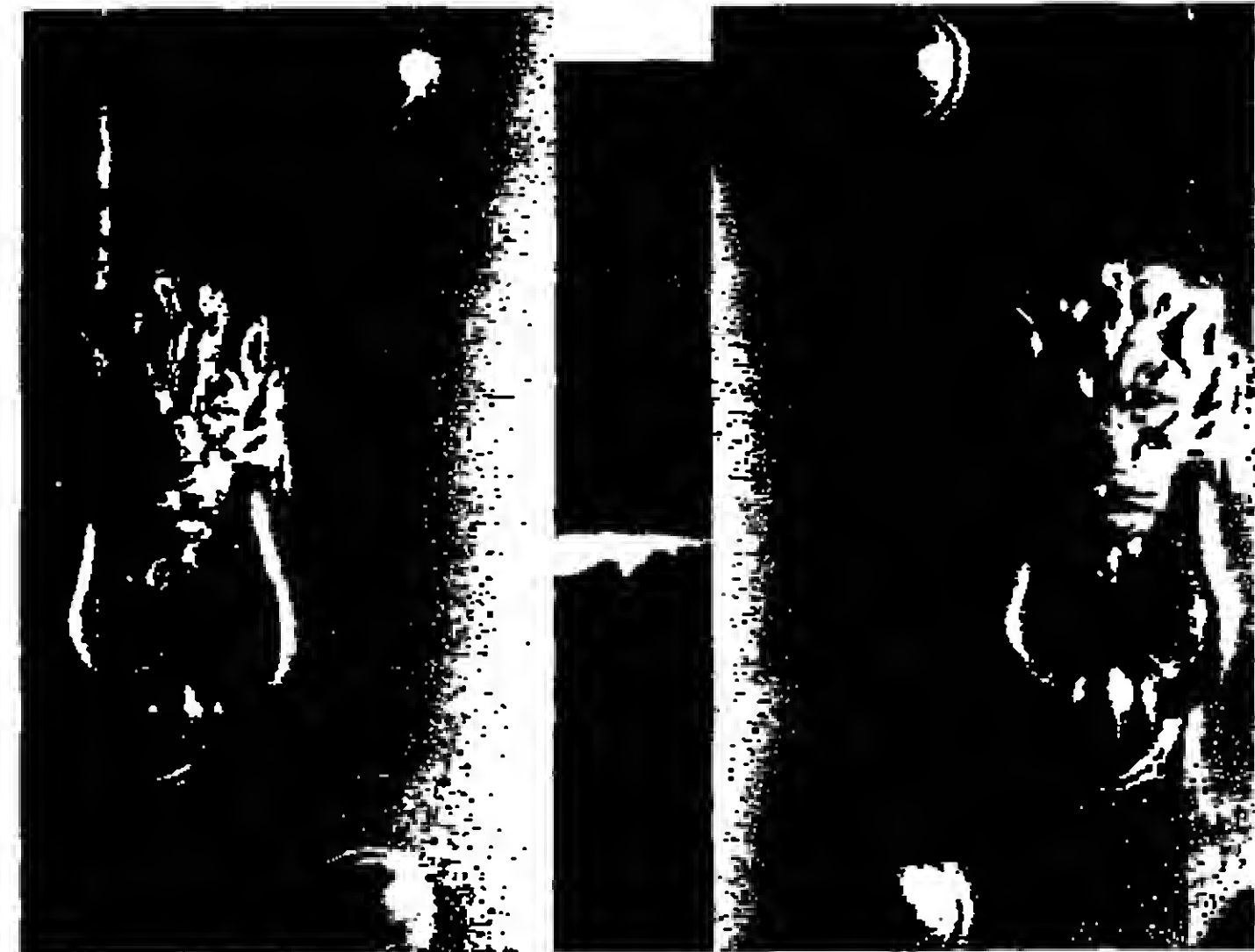
Our corporation has already established business relationships with Japan, Hong Kong, Philippines, Singapore, France, Italy, U.S.A., Holland, England, Denmark and other countries.

As we said, the world is our market. No matter where you are, your enquiries will be most treasured.

China National Native Produce & Animal By-products Import & Export Corporation, Dalian Branch

Address: 7, Senba Square, Dalian, China. Cable: "PROBYPRO" DALIAN. Phone: 238713. Telex: 86433N NPAB CN. Manager: CHEN MING YUAN.

Now open. Grand opening celebration June 28.



### AS CHINA OPENS HER DOORS TO THE WORLD, THE SHANGHAI HILTON INTERNATIONAL OPENS ITS DOORS TO YOU.

To feel the pulse of China's economy one must travel to her commercial heart — Shanghai. Here in this bustling city, you will soon discover a standard of service and accommodation renowned throughout the world. The Shanghai Hilton International is now open.

For reservations, call your travel agent, any Hilton International hotel or Hilton Reservation Service.

## SHANGHAI HILTON INTERNATIONAL

# LIAONING PROVINCE

## Provincial Economy Mounts Export Drive

**T**WENTY years ago, the economy in Liaoning was not only the strongest in the northeast; it was one of the strongest provincial economies in all of China.

With less than 4 percent of the nation's population, and covering only 2 percent of its area, Liaoning accounted for about one-eighth of China's overall industrial production and produced 40 percent of its steel. Underlying these achievements were Liaoning's capitalization — very high by Chinese standards — and the province's wealth of readily

accessible and relatively unexploited resources.

Alongside an established infrastructure — which includes China's largest deep-water port and over 2,000 kilometers of double-track railroad — the province currently boasts the world's largest chrome products factory and is the world's leading producer of molybdenum and magnesite.

Yet Liaoning's products were, until 1985, largely destined for the domestic market. It was China's open trade policy — followed by central government export incentives

— that gave the province the opportunity and the impetus to join the international trading community.

This, in turn, necessitated the development of an entirely new export infrastructure. Since then, the number of workers in the export trade has risen to 15,000; transport facilities have expanded to include 1,100 trucks; and 2 million square meters of warehouse space, as well as a provincial trade school, have been constructed.

At the same time, modern marketing methods have been implemented. These include trade missions and shows in East Germany, Tokyo, Oman, Kuwait and the United Arab Emirates, as well as a Liaoning Product Exhibition in Illinois — the province's sister state.

Such moves have been accompanied by the introduction of new policies to liberalize export credential's criteria, and led to a seven-fold increase in the number of companies authorized to export. Packaging, warehousing,

transportation and foreign trade base services have all witnessed rapid growth.

Exports have burgeoned. Currently valued at \$5.04 billion, they reach 10,000 firms worldwide.

### Textile Turnaround

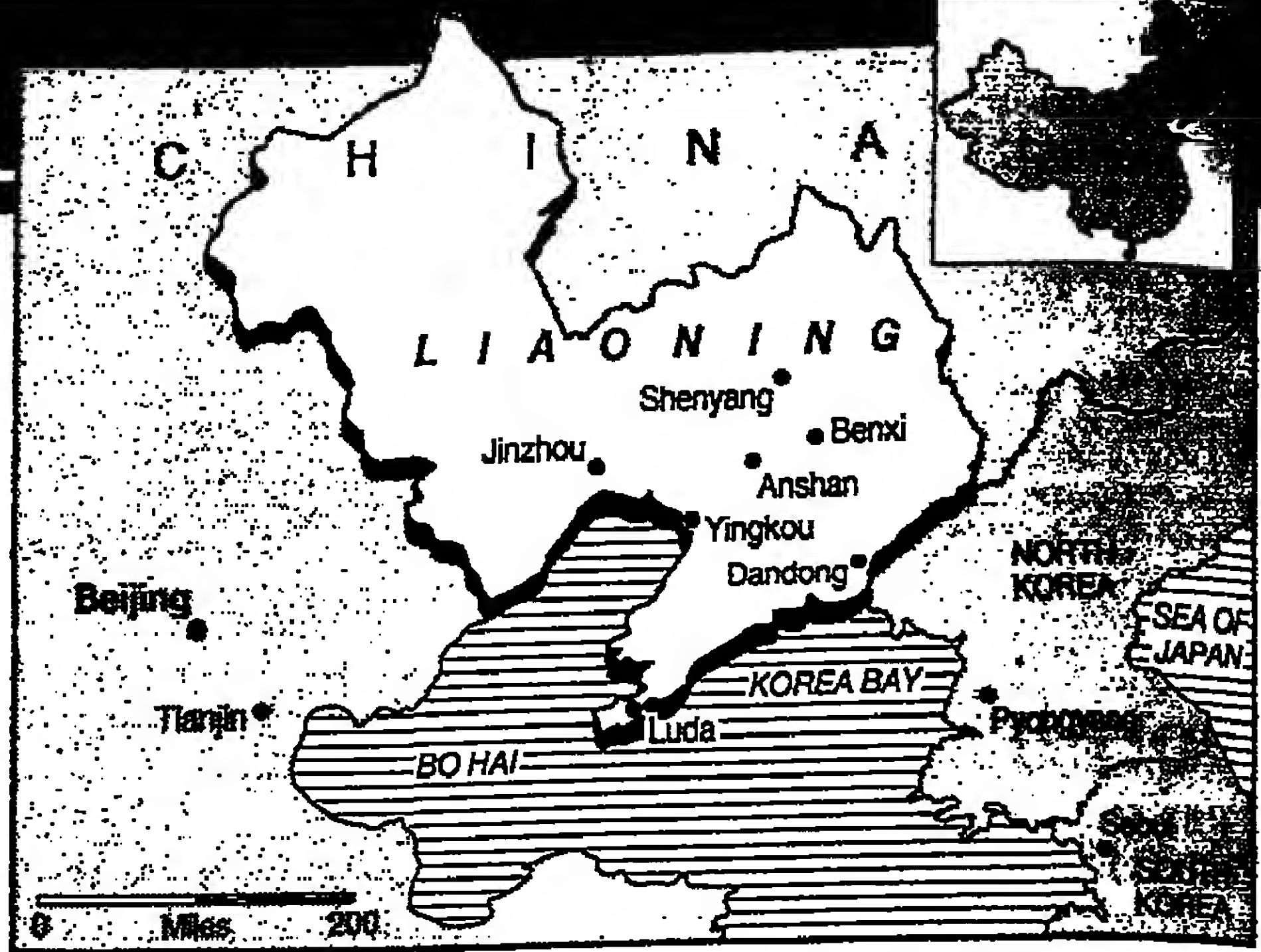
One of the industries that has benefited the most from this explosive growth is textiles. The China National Textiles Import and Export Corporation evolved from the pre-war silk trade. Basic raw materials such as wool and cotton were originally brought to the silk spinners of Liaoning for processing into threads and fabrics, but soon American plastics and Japanese polyesters were garnering great shares of even the local market.

The huge 30 percent jump in exports of metal products contributed greatly to the record \$110 million in exports achieved by the Liaoning Branch of the China National Metals and Minerals Import and Export Corporation in 1987. But, although the province has long been famous for its mining and metals exports, it still holds great potential for

further export production. Japanese technology and management provided the area with its first industrial platform as a basis for China's heavy industrial production. The Liaoning Branch was established in 1954 with the export of coal, coal byproducts and non-ferrous metals. But following further discoveries of mineral products and a concurrent need to diversify, the corporation developed new categories of export products.

The magazine Industrial Minerals has since renamed Liaoning "the Magnesite Giant," for over 60 percent of China's magnesite export now comes from the province. Over 350,000 metric tons of this important fertilizer were shipped last year.

The world's cosmetics, textiles, paper, soaps and ceramics industries also imported 350,000 metric tons of talc from Liaoning. Other important non-ferrous metal exports include chrome products and titanium. With the world's largest chrome products factory, as well as other important factories in all major cities in the province, the corporation can afford to be highly competitive.



Miles 200

Established in 1953, the China National Cereals, Oils & Foodstuffs Import and Export Corporation has seen some of China's fastest development of new products. From a tradition of exporting basic food products such as fresh and dehydrated fruits and vegetables, nuts and bulk seafoods and meats, the corporation has survived a revolution in systems and techniques including quick-frozen products, polypropylene bag and glass packaging, fish farming, mineral enriched foods, not to mention new management and marketing systems.

Although it contributes still only a small proportion to total food export production, even such new businesses as supplied material processing are not too revolutionary. Under a different "imported materials" trade category, abalone from Canada and Australia is purchased, canned and exported to markets in Japan.

Today, with some 1.5 million hectares of fish farming, total exports reaching an annual \$100 million, sales representatives in Hong Kong, Japan, Canada, the U.S., Europe and the East Block nations and, most important, a new competitive, even capitalistic, determination in its produc-

tion and export marketing, Liaoning is building a new worldwide reputation.

### The Future

According to Mr. Situ Qing Zhang, vice director of the Foreign Trade Bureau of Liaoning Province, there is virtually no limit to the resources and the labor that can be drawn on to meet future demand.

The Trade Bureau plans to increase the number of export companies, but all candidates must produce a genuine track record of quality and price professionalism in their export trade. They are further expected to reach an annual turnover of \$5 million within three years of authorization.

The Trade Bureau is also placing a high priority on the development of both labor- and expertise-intensive industries. Labor-intensive industries such as garments and shoe making will receive government marketing assistance as well as financial and procedural incentives including subsidies, export duty waivers and preferential treatment with regard to water and energy supply, foreign exchange transactions, loans and interest rates and access to raw materials.

—Richard Blair

## Patterns of Trade

**T**HE emphasis on flexible trade — the processing of imported raw materials — is in the forefront of the changes to China's trade patterns. One of the clearest examples of this trend is the export garments industry, a spin-off from the traditional textiles industry. Mr. Liu Ji Mou, managing director of the China National Textiles Import & Export Corporation, Liaoning Garments Branch, points out that Dalian city is an old hand in the rag trade.

Known as the "Garment City of China," Dalian and its environs have more than 10,000 workers involved in the export garments trade and, together with the province, ships \$100 million worth of men's, ladies' and children's cotton, wool and blended goods to markets in Japan, America and Europe.

The Liaoning Garments Branch of the National Textiles Import & Export Corporation involves some 150 factories in its exports trade. It has been manufacturing gar-

ments since 1960, and until March 1987 was an arm of the Liaoning Textiles Branch. In the preceding years it developed so many new products and markets that its eventual independence was inevitable. Now, with a complete range of fabrics, its own creative team and overseas offices in Japan, the U.S. and Europe, the Garments Branch produces high quality finished garments from ladies' ensembles to blazers and goose down jackets.

—R.B.

**Single-Stage Centrifugal Pump XA Series**

China National Machinery Import and Export Corporation is an integrated enterprise which designs, manufactures, exports and trades in all kinds of machinery, electrical and other products. The XA Series is used for various kinds of chemical, water, oil, etc. pumps. It is similar to those of water, oil, etc. pumps. It is used for mining, city water supply, etc.

For further information, please contact us directly.

China National Machinery Import and Export Corporation, Liaoning Branch, 139 Stalin Road, Dalian, China. Tel: 0411-804857. Telex: 86156 YASHU CN. Cable: "INDUSTRY" DALIAN. Fax: 0411-808348.

**Liaoning Foreign Trade Corporation** is a nationalized corporation. It therefore has the permission and back-up of the government to carry out business transactions and honor contracts.

We strongly emphasize our business ethics, and give top priorities to client service and quality control of all the products which we handle.

**Our business scope includes:**  
Export: we can work independently, cooperate or as an agent for businesses including: technology transfer, chemical & pharmaceutical products, native produce, light industrial products, textiles, and the marketing of new products.  
Import: we can work as an agent or deal directly in the importation of machinery equipment meters, chemical & pharmaceutical products, hardware & steel, textile raw materials and other products. In addition, our flexibility allows us to set up joint-ventures, compensation trade, processing with supplied materials & trade and even advertising and promotion.

For further information, please contact us directly.  
Import dept.: 331130 Export dept.: 336133  
Barter trade dept.: 336995, 338243  
Economic development dept.: 332157  
Overseas business dept.: 337008  
Transportation & shipping dept.: 336187  
Dalian Technology & Economic Development Zone: 713837  
Liaoning Foreign Trade Adv. Corp.: 332342  
Trucking dept.: 238567  
Shenzhen Liaoning Foreign Trade Corp.: (Shenzhen 24933 x 2519)  
Address: NO. 2 Hengyuan St. Dalian, China  
Telex: 86286 LFTD CN 85373 LFTC CN

**Steed Bicycles — Speedy and Sturdy like a Stallion.**

Our corporation can supply BMX and ATB series bicycles with the latest design.

For a reasonable price, we can manufacture bicycles according to supplied specifications and brand names. We can also assemble bicycles with parts and materials supplied by buyers.

For a speedy reply, please write to us directly.

China National Light Industrial Products Imp/Exp Corp. Liaoning Branch  
Address: 110 Stalin Road, Dalian, China  
Tel: 0411-804857 Telex: 86156 YASHU CN  
Cable: "INDUSTRY" DALIAN Fax: 0411-808348

**God's Own Natural Products**

Situated in the southern tip of the northeastern part of China, Liaoning province comprises a vast area with rich resources, spectacular scenery and convenient transportation.

All these God-sent natural conditions provide an ample supply of high-quality cattle, meat, fresh fruit, fruit products, dehydrated vegetables, salted vegetables.

With a coastline stretching more than 2,100 miles, there's a continuous supply of fresh and delicious prawns, peeled prawns, prawn balls, a great variety of fishes and shells.

A solid industrial foundation in Liaoning ensures the production of various kinds of canned goods, sugar and confectionery, alcoholic drinks, beverages, seasoning and other products.

Enquiries from business representatives from the world over are most welcome.

China National Cereals, Oils and Foodstuffs Imp./Exp. Corporation, Liaoning Foodstuffs Branch.  
145 Stalin Rd., Dalian, China. Tel: 236132 232244  
Cable: TALOIFOOD DALIAN Tlx: 86216 DACOF CN

**China National Chemicals Imp. & Exp. Corp., Liaoning Branch**

China National Chemicals Import & Export Corporation, Liaoning Branch is engaged in both import of petroleum, chemicals and pharmaceuticals for the three provinces in Northeast China and East Inner-Mongolia. And one of our main products is white oil. (See below for specifications).

Our corporation has trade relations and economic cooperation with trade partners in more than 100 countries and regions. Its annual export volume has reached 4 billion U.S. dollars.

Highly efficient management and flexibility are the two main reasons for our corporation's success. Right now, our corporation has succeeded in setting up joint venture enterprises and also has established representative offices in U.S.A., West Germany and Hong Kong to improve our service.

**WHITE OIL** (White mineral oil; paraffin oil)

Viscosity (Engler) 50°C	Grade A 1.78 min	Grade B 1.45 min
Acid value (mgOH/g)	0.05 max	0.05 max
Flash point (open cup)	165 min	145 min
Pour Point	below 1°C	below 0°C
Water-soluble acid and alkali	none	none

China National Chemicals Imp. & Exp. Corp., Liaoning Branch  
139 Stalin Road, Dalian, China. Cable: SINO-CHEM/DALIAN  
Telex: 86162 CHEMD CN. Person to contact: Han Feng

**Our corporation is one of the major imp/exp corporations in Liaoning province. Over the years, we've established business relationships the world over.**

**Our main export products include:**

- Black melon seeds
- Pumpkin seeds
- "Hsiang Yang" brand black melon seeds, roasted with spices
- "Hsiang Yang" brand pumpkin seeds, roasted & salted
- Wild walnut meats
- Various kinds of fruits, preserved apricot and preserved apple
- Salted, cultivated vegetables & wild vegetables
- Dried vegetables
- "Golden Pine" brand canned nameko
- Al-dried mushrooms & salted mushrooms
- Bee honey
- Bee's pollen
- Bees' wax
- Chinese poplite
- Capsules pollen
- Capsules pollen & royal jelly
- "Golden pine" brand candle
- Jute bags
- Jute yarn
- Polysacids
- Gelatin, bone glue and inosine
- Solanin & essential oil, aromatic chemicals
- Bird feeding
- Flooring block
- Charcoal
- Disinfected chopsticks
- Wooden toothpick
- Birch wood ice cream sticks
- Coffee stirrer
- Wood inlaid picture and Liaoning noted landscape

For catalogues and further information, please contact us directly.

**China National Native Produce and Animal By-products Import and Export Corporation, Liaoning Native Produce Branch**  
Address: 139 Stalin Road, Dalian, China  
Telex: 86155 PRO CN Cable: PRODAIREN DALIAN

**Promoting Trade Between CEIEC Liaoning Branch and Foreign Firms On The Basis Of Mutual Benefit**

China National Electronics Import & Export Corporation (CEIEC) Liaoning Branch is a foreign trade entity which integrates industry and technology with trade. It is responsible for the import and export of electronic products and equipment in Liaoning, cooperative labour service, joint production and joint venture.

CEIEC Liaoning Branch is situated in the heart of Dalian, which has easy access to sea, land and air transportation and communication facilities. CEIEC Liaoning Branch also has an office in Shenyang, the capital of Liaoning Province, which is responsible for technical exchange with foreign companies and import/export business.

Products available for export from CEIEC are as follows:

- Communication equipment
- Computers
- Broadcasting and TV equipment and household electronics, and
- Special-purpose materials for electronics.

Strictly adhering to the principle of honouring contracts and maintaining a high level of business ethic, better choice of business partners in China.

Contact us, and see how we can help each other.

China National Electronics Imp. & Exp. Corp. (CEIEC) Liaoning Branch  
Address: 129 Tangshan Street, Dalian, China. Tel: 336278  
Telex: 86324 CECL CN

**Precise Machine Tools** From Liaoning, China

Over the past 60 years, Liaoning has been one of the most important heavy industrial areas in China. Now it has more than 40 factories specialized in the production of machine tools, with an annual production of 100,000 units.

Right now, Liaoning has 4 state-level laboratories working intensively on both traditional and advanced lathes, drilling & boring machines, and combinal machine tools.

Our corporation can manufacture machine tools measured both in inches or millimeters:

- Traditional lathe: diameter of giration φ 300 - 1,125 mm process length 750 - 13,000 mm
- Vertical lathe: diameter of giration φ 800 - 2,250 mm
- Radial drilling machine: drilling hole φ 25 - 125 mm radial 300mm length 1,000 - 4,000 mm
- Boring machine: diameter of spindle φ 85 - 130 mm greatest reach of spindle: 600 - 1,000 mm
- Slitting machine: slit length: 200 - 1,000 mm
- All-purpose tool making machine: working area: 300 x 6 mm
- Forging press equipment can take press machine from 2.15 - 100 tons and roll press machine from 63 - 1,000 tons

In addition, we also handle grinding machines, rolling lathes, combined machine tools, digital controlled lathes, wire rolling machines, wood lat machines and other accompanying spare parts.

For further details, please contact Mr. Du Zhi Xue at:  
China National Machinery & Equipment Imp/Exp Corp., Liaoning Branch  
42 Kunming St., Dalian, China. Telex: 86226 CMEDE CN  
Cable: "EQUIPMENT" DALIAN Fax: 411-239916 DALIAN

**We're Catching Up**

Long gone are those blue, grey and black Mao jackets. A major fashion revolution is going on in China, and Liaoning Textiles Import and Export Corporation is one of the major forces behind this revolution.

In recent years, as a result of the continuous development of textile industry, "Snowflake" woollen piece goods handled by Liaoning Branch have improved both in quality and quantity.

The woollen cloth exported by Liaoning Textiles covers a great range, they include pure gabardine, worsted flannel, tweed, army coating, student uniform coating with woolsen/viscose blended fabrics, woolsen/polyester blended tweed, woolsen/polyester blended fabrics, polyester/viscose blended fabrics, polyester/viscose gabardine, etc. They are excellent workmanship and come in eye-catching colors.

On time delivery is highly emphasized and the price is very reasonable. We are looking forward to receiving your enquiries. Please contact us directly.

China National Textiles Import & Export Corp., Liaoning Branch  
Address: 3, Yimin Street, Zhongshan District, Dalian, China  
Cable: CHINATEX DALIAN  
Telex: 86154 LDTX CN

Handwritten signature or text at the bottom of the page.



# CHINA

## Chemical Clean-up

CHINA'S chemical industries are currently the target of a government clean-up campaign. And one of the most affected enterprises is the giant Sinochem. Founded some 38 years ago, Sinochem grew up in the industrial decades when China and the rest of the world were less concerned with ecology and more intent on building a solid manufacturing base.

Sinochem succeeded. The company developed a complete range of products including petroleum and its by-products, organic chemical raw materials, inorganic chemical raw materials, chemical fertilizer, pesticide solvents, tire and liquid chemical products. By the early 1980s it was trading with over 140 countries and its annual exports amounted to \$4 billion. Liaoning's petrochemicals industry ranks number one in China.

With the new open door policy, business became even more active and average annual production increases reached 13 percent. But the company and the government also recognized that damage

was being done to the environment and health of the province's chemical workers. Extensive research was begun to develop cleaner export products and assist international efforts to clean up the production and processing of essential chemicals. For example, the Liaoning branch of Sinochem is investigating ways to reduce the lead content of "Accelerator D," a chemical used in the processing of rubber.

Other moves include the introduction of packaged dyes and a whole new range of products to meet the demand for safer dyes. Because of restrictions on the export of some pharmaceuticals, Sinochem is greatly expanding its range of non-pollutant pharmaceuticals as well as developing entirely new down-line products such as rubber gloves for surgical use.

To market these new products overseas, the company's Liaoning branch has offices in the U.S., West Germany, Thailand, Hong Kong and Japan.

—R.B.



Liaoning's export garment trade is a spin-off of the traditional silk industry.

## Technology Transfer

THE shift into products such as petroleum pipe fittings, rubber products, packaging and plastic extrusion has called for a wholesale purchase of foreign machinery and technology. Such a shift has made Liaoning

and China a significant buyer as well as a seller of sophisticated, world-standard products.

Currently exporting to the tune of some \$25 million per year, the 3,000 enterprises that make up the Liaoning ma-

chinery and machine tools industry have developed a range of 150 product categories and over 500 specific items which are exported to 120 countries and regions overseas. These products and services range from sophisticated factory ma-

chinery and agricultural machines, to hand tools, electronic implements and major international tenders.

The drive to expand international competitiveness and to put China on an equal basis with its world trading partners has brought fundamental changes to this industry. Highly market-responsive and technology-sensitive, it has extended its product base into new areas. One of the keys to this development has been the injection of technology at every step. Traditional products such as the simple bench vice, sold for decades, are being transformed into heavy-duty, multi-purpose tools for domestic and industrial use. When Liaoning does not have the technology, it goes out to buy it. An investigatory group to the United States recently purchased U.S. tooling equipment and patterns for the development of a new range of socket wrenches.

In response to market demand, products are now being packaged and marketed in comprehensive sets. Overseas marketing teams from the Liaoning Branch of the China National Machinery Import and Export Corporation are studying international standards and working closely with clients to produce customized exports. Work skills and designs are being upgraded to make Liaoning machinery and machine tools as competitive as those from the U.S. and Japan.

This, in turn, has increased the demand for technology transfer and imported raw material. Raw products from Japan, the U.S. and Italy are high on the list of priority items.

—R.B.

## Made in Liaoning

Liaoning exports a growing range of medicinal products and medical equipment through the Liaoning branch of the China National Medicines and Health Products Import & Export Corporation.

Light industrial products marketing in the province dates from 1954, when the Liaoning branch of the China National Light Industrial Products Import and Export Corporation opened in Shenyang. The corporation cur-

rently exports goods ranging from steel utensils to construction materials.

The traditional arts and crafts of China are flourishing in Liaoning Province. Visitors can find a wide range of items created by provincial craftsmen in the showrooms and warehouses of the Liaoning Branch of the China National Arts & Crafts Corporation.

Liaoning's superb seafoods, meat, vegetables and confec-

tionary are exported worldwide by the Liaoning branch of the China National Cereals Oils and Foodstuffs Corporation.

The long coastline, wooded mountains and fertile plains of Liaoning Province are ideal for livestock husbandry. One enterprising corporation has a flourishing trade in furs, leather, feathers, and other products. The Liaoning Animal By-Products Corporation manages its own farms as well

as dealing in the export market.

Traditional products such as candles and woven mats are exported from Dalian by the Liaoning Native Produce branch of the China National Native Produce and Animal By-Products Corporation.

All kinds of heavy machinery and equipment — from mining and manufacturing machinery to tools and air-conditioners — are produced and exported by Liaoning's

branch of the China National Machinery & Equipment Import and Export Corporation.

The China Electronics Import & Export Corporation's Liaoning branch, with 200 manufacturing operations and over 100,000 personnel, plays a major role in the electronics field. Most of the Corporation's products, which range from sophisticated electronic measuring devices to pocket calculators, are exported.

—R.B.

## FOR MORE INFORMATION ABOUT CHINA'S IMPORT & EXPORT CORPORATIONS

Just complete this coupon. Indicate below the subjects on which you would like to obtain more information [✓].

- List of advertisers:
- China National Electronics — Liaoning
  - China National Native Produce & Animal By-products — Liaoning
  - Liaoning Foreign Trade Corporation
  - China National Cereals Oils & Foodstuffs — Liaoning
  - China National Textiles — Liaoning
  - China National Light Industrial Products — Liaoning
  - China National Machinery Import and Export Corporation
  - China National Medicines & Health Products — Liaoning
  - China National Arts & Crafts — Liaoning
  - China National Metals & Minerals — Guangdong
  - China National Machinery & Equipment — Guangdong
  - China National Light Industrial Products — Dalian
  - China National Native Produce & Animal By-products — Dalian

RETURN THE COUPON WITH YOUR BUSINESS CARD International Herald Tribune, 7th floor, Malaysia Building, 50 Gloucester Road, Wanchai, Hong Kong.

## Hard Working Hardware From Guangdong, China

We are a major exporter and importer of construction hardware, construction materials, non-metallic minerals & products and non-ferrous metals & products. These products are all highly durable, skillfully manufactured from superior materials, and they are all reasonably priced.

Over the years, we have, on the basis of equality and mutual benefit, established extensive trade relations with over 100 countries and regions worldwide.

We sincerely hope to further develop our business ties with the world. Businessmen are welcome to come to Guangzhou to discuss business opportunities with us.

Customers' special specifications and designs can be met. On-time delivery is highly emphasized. For more product information and details of our competitive prices please contact:

China National Metals & Minerals Import & Export Corporation, Guangdong Branch, 774 Dongfeng Road (East), Guangzhou, China. Tel: 44377 WUJIN CN. Cable: "MINMETALS" GUANGZHOU. Fax: (86) 20-776437.



### "Hsiang Yang Brand" Ginseng Royal Jelly

Ginseng Royal Jelly is an ideal natural nutritional tonic. It has won the prize of National Gold Medal for its high quality and has been chosen as the special nutritional tonic for the Sports Delegation of the People's Republic of China in the Tenth Asian Games.

The main materials of the product are carefully selected and prepared from fresh ginseng of over 6 years, grown in Northeast China, and from fresh glandular secretion of worker bees etc. The prescription and formula are well-chosen with special scientific production technology and up-to-date equipment.

Ginseng Royal Jelly has a tonic action on the nerves and brain and is good for kidney stones, stimulates the appetite and metabolism, improves memory and prevents aging and weariness. It is proven that Ginseng Royal Jelly also has an inhibitive action on the growth of human breast cancer.

China National Medicines & Health Products Import & Export Corporation Liaoning Branch, 136, Northwest Road, Dalian, China. Tel: 86278 MEHEC CN 86462 MHPRO CN. Cable: "MEHECO" DALIAN Tel: 337289 337220

## Silk from Liaoning



CHINA NATIONAL SILK IMP. & EXP. CORP. LIAONING BRANCH, NO. 68, XINGLIN ST. ZHONGSHAN DISTRICT, DALIAN, CHINA. TEL: 236045, 237612. TELEX: 86186 DSILK. CABLE: CHISICORP DALIAN

## Fashionable Garments From Liaoning



The garments exported by Liaoning are exquisitely made from selected fine cotton, wool, linen, chemical fibre and their blended fabrics. They come in a wide variety of styles for all seasons and for men and women of all ages.

Recently, it has imported advanced equipment and technology from abroad, which allow its export items to keep abreast with the ever changing fashion trends in the world market. Garments from Liaoning come in a wide range of styles, are fashionable in design, superb in workmanship, fine in quality and comfortable to wear.

China National Textiles Imp. & Exp. Corp. / Liaoning Garments Branch, Address: 8 Wuwu Road, Liaoning, China. Cable: "GARMENTS" DALIAN. Telex: 86452 LDGVMT CN

## Exquisite FUR HATS From Liaoning



Rich fur resources and continuously evolving technology enable our factories in Liaoning to manufacture excellent fur hats and caps for export. Made from genuine fur and leather, they are exquisitely crafted, fashionable, light and soft. Available in a variety of styles, "Peacock Feather" brand fur hats and caps are warmly welcomed by consumers around the world.

China National Native Produce & Animal By-products Imp. & Exp. Corp. Liaoning Animal By-products Branch, 138, Stalin Road, Dalian, China. Tel: 234012. Cable: BYPRODUCTS DALIAN. Telex: 86258 BYPRO CN

## WHITE SAIL BRAND CAUSTIC-CALCINED MAGNESITE



SM94120 SM90120 SM90200  
AM90120 FM90120 SM90300  
AM90 0.3-2  
AM90 0-0.3 AM90 0.5-1.5

CHINA NATIONAL METALS AND MINERALS IMPORT & EXPORT CORP. LIAONING BRANCH, Address: No. 145 Stalin Road, Dalian, China. Cable: "MINMETALS" DALIAN. Tel: 86153 MIMET CN 86453 MIMET CN. Tel: 236688. Fax: 236989 DALIAN

## Liaoning Craft Footwear—Your Best Source for Shoes



What makes craft shoes handled by Liaoning Arts & Crafts I/E Co. different from the rest? FASHION! Craft shoes exported from Liaoning come in a wide range. Liaoning embroidery slippers are versatile and available in all sorts of colors. The manufacturers have been working hard to improve workmanship through constant perfection of their skill by inheriting the traditional folk art techniques.

Definite design and strict quality control are a guarantee — that's why we enjoy a high reputation amongst our overseas buyers.

We are the major exporter of all kinds of canvas shoes, rubber shoes, P.U. shoes, sports shoes and many others which are made from cotton, corduroy, synthetic leather, genuine leather, P.V.C. foamed plastic, foamed rubber and EVA, of top quality. All of them are lovely to look at and comfortable to wear.

In recent years we have introduced new and exciting animal shoes, leather shoes, moccasin shoes, and deck shoes to our products. Materials is luxurious and packing excellent. Our products have reached international standards.

Our craft footwear market spreads from Hong Kong and Japan to America and Europe. Our shoes have created a fashion sensation wherever they have been sold.

We invite you to submit your own designs and specifications. Orders are cordially welcome.

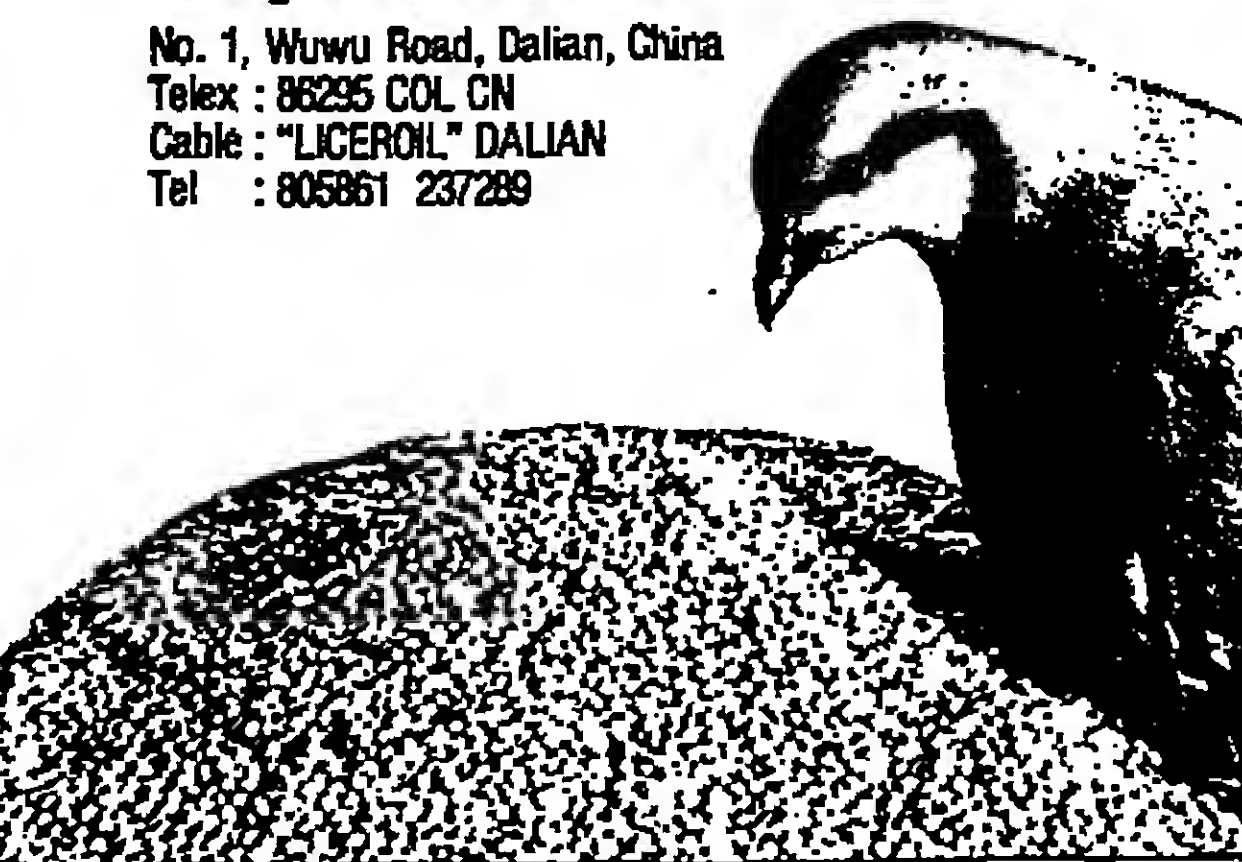
CHINA NATIONAL ARTS & CRAFTS IMP. & EXP. CORP. LIAONING BRANCH, Address: 2, Hong Yan Street, Dalian, China. Tel: 334473. Cable: ARTS DALIAN. Telex: 86224 DAC CN Fax: 334283

## Birds Like It Best.

Chinese hempseed is the best feedstuff for birds. It's nutritious, with full grains.

Specification: Admixture (max.) 3%  
Packing: In gunny bags of about 70kgs, net each

China National Cereals, Oils & Foodstuffs Import & Export Corp. Liaoning Cereals & Oils Branch, No. 1, Wuwu Road, Dalian, China. Tel: 86235 COL CN. Cable: "LICERON" DALIAN. Tel: 805861 237289



## Precision. Handworking. Liaoning Hand Tools.

Our corporation handles Eagle Brand iron hammer and different kinds of Golden Bird Brand hand tools. They include:

- Various kinds of bench vices
- Table vices
- Hand pliers
- Hand hammer
- Spanners
- Measuring tools
- Screw drivers
- Cutting tools
- Grinding tools and other tools.

Precisely machined, strictly tested and appraised, the quality of our tools are well guaranteed. We accept processing according to customers' drawings, specified name brands and designs. With a favourable price and punctual delivery, we've already won business partners all over the world, why not you?

China National Machinery Import & Export Corp. Liaoning Branch, Address: 135 Stalin Road, Dalian, China. Cable: "MACHIMP" DALIAN. Tel: 86157 DCMC CN Fax: 237196

# Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01 223 11 30  
Prices may vary according to market conditions and other factors.

June 16

## Dollar Straights

Issuer	Con	Mat	Yld	Spd
Australia				
Aust Govt	12%	9/10	12.81	12.25
Aust Govt	12%	9/10	12.81	12.25
Aust Govt	12%	9/10	12.81	12.25

## France

Issuer	Con	Mat	Yld	Spd
FRANCE				
BFCF	7%	9/10	8.90	+80
BFCF	7%	9/10	8.90	+80
BFCF	7%	9/10	8.90	+80

## Germany

Issuer	Con	Mat	Yld	Spd
GERMANY				
LTCB	7%	9/10	9.21	+85
LTCB	7%	9/10	9.21	+85
LTCB	7%	9/10	9.21	+85

## Japan

Issuer	Con	Mat	Yld	Spd
JAPAN				
Govt	8%	9/10	9.25	+85
Govt	8%	9/10	9.25	+85
Govt	8%	9/10	9.25	+85

## United Kingdom

Issuer	Con	Mat	Yld	Spd
UNITED KINGDOM				
Govt	10%	9/10	10.25	+85
Govt	10%	9/10	10.25	+85
Govt	10%	9/10	10.25	+85

## United States

Issuer	Con	Mat	Yld	Spd
UNITED STATES				
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85

## Supranational

Issuer	Con	Mat	Yld	Spd
SUPRANATIONAL				
World Bank	10%	9/10	10.25	+85
World Bank	10%	9/10	10.25	+85
World Bank	10%	9/10	10.25	+85

## DM Straights

Issuer	Con	Mat	Yld	Spd
DM STRAIGHTS				
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85

## ECU Straights

Issuer	Con	Mat	Yld	Spd
ECU STRAIGHTS				
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85

## Yen Straights

Issuer	Con	Mat	Yld	Spd
YEN STRAIGHTS				
Govt	8%	9/10	8.25	+85
Govt	8%	9/10	8.25	+85
Govt	8%	9/10	8.25	+85

## Mutual Funds

Prices as of close of trading Friday June 17

NEW YORK (AP)—The following mutual funds, as reported by the National Association of Securities Dealers, Inc., are the assets of which the fund could have been sold (Net Asset Value plus or minus change Friday).

Issuer	Con	Mat	Yld	Spd
AAI	7%	9/10	7.25	+85
AAI	7%	9/10	7.25	+85
AAI	7%	9/10	7.25	+85

## Bid Ask

Prices as of close of trading Friday June 17

Issuer	Con	Mat	Yld	Spd
Bid Ask				
AAI	7%	9/10	7.25	+85
AAI	7%	9/10	7.25	+85
AAI	7%	9/10	7.25	+85

## DM Straights

Prices as of close of trading Friday June 17

Issuer	Con	Mat	Yld	Spd
DM STRAIGHTS				
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85

## ECU Straights

Prices as of close of trading Friday June 17

Issuer	Con	Mat	Yld	Spd
ECU STRAIGHTS				
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85

## Yen Straights

Prices as of close of trading Friday June 17

Issuer	Con	Mat	Yld	Spd
YEN STRAIGHTS				
Govt	8%	9/10	8.25	+85
Govt	8%	9/10	8.25	+85
Govt	8%	9/10	8.25	+85

## DM Straights

Prices as of close of trading Friday June 17

Issuer	Con	Mat	Yld	Spd
DM STRAIGHTS				
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85

## ECU Straights

Prices as of close of trading Friday June 17

Issuer	Con	Mat	Yld	Spd
ECU STRAIGHTS				
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85

## Yen Straights

Prices as of close of trading Friday June 17

Issuer	Con	Mat	Yld	Spd
YEN STRAIGHTS				
Govt	8%	9/10	8.25	+85
Govt	8%	9/10	8.25	+85
Govt	8%	9/10	8.25	+85

## DM Straights

Prices as of close of trading Friday June 17

Issuer	Con	Mat	Yld	Spd
DM STRAIGHTS				
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85

## ECU Straights

Prices as of close of trading Friday June 17

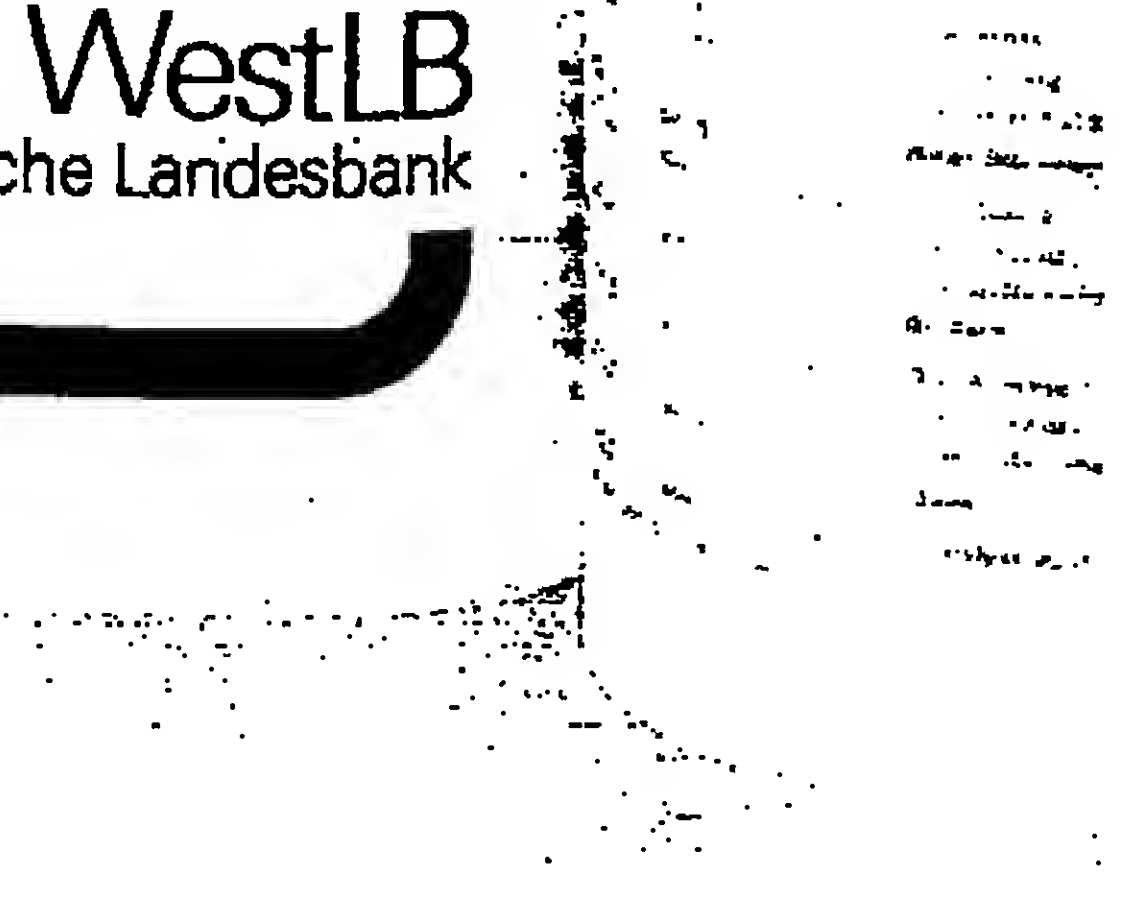
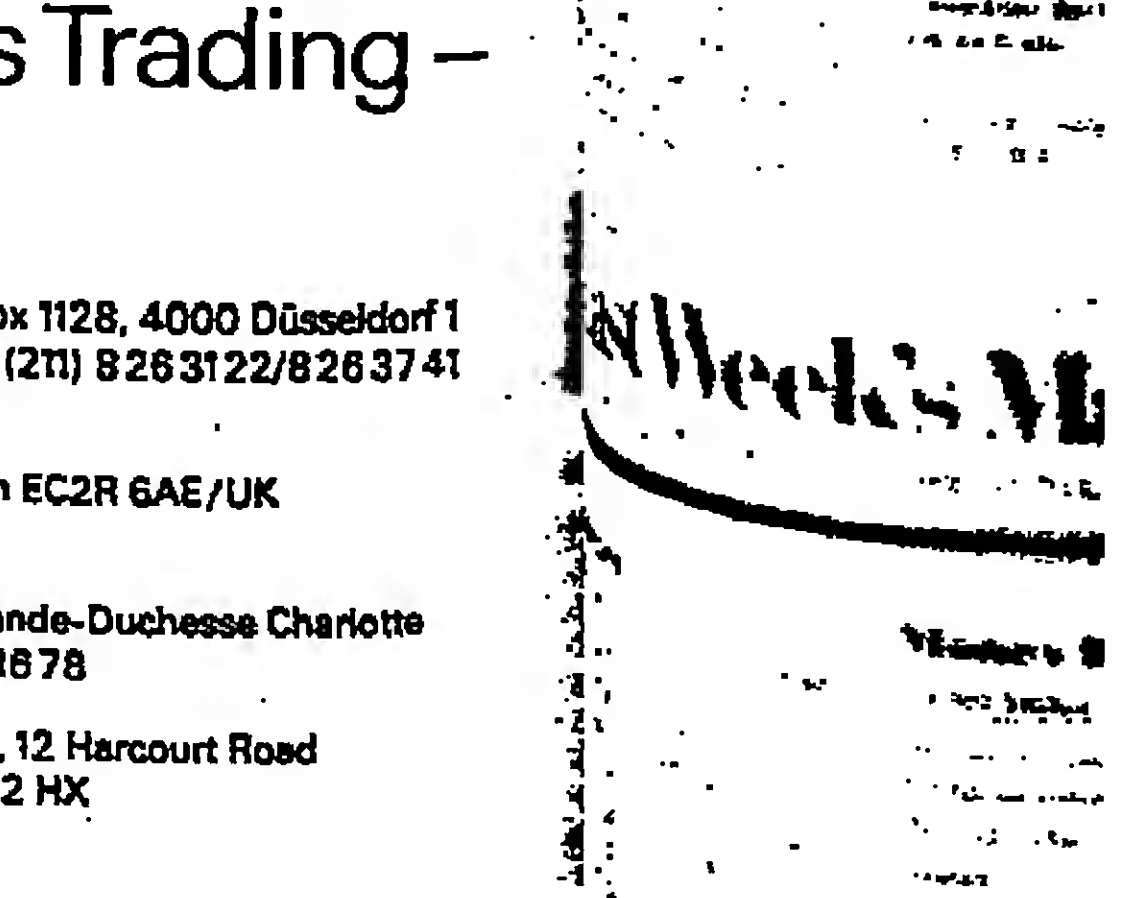
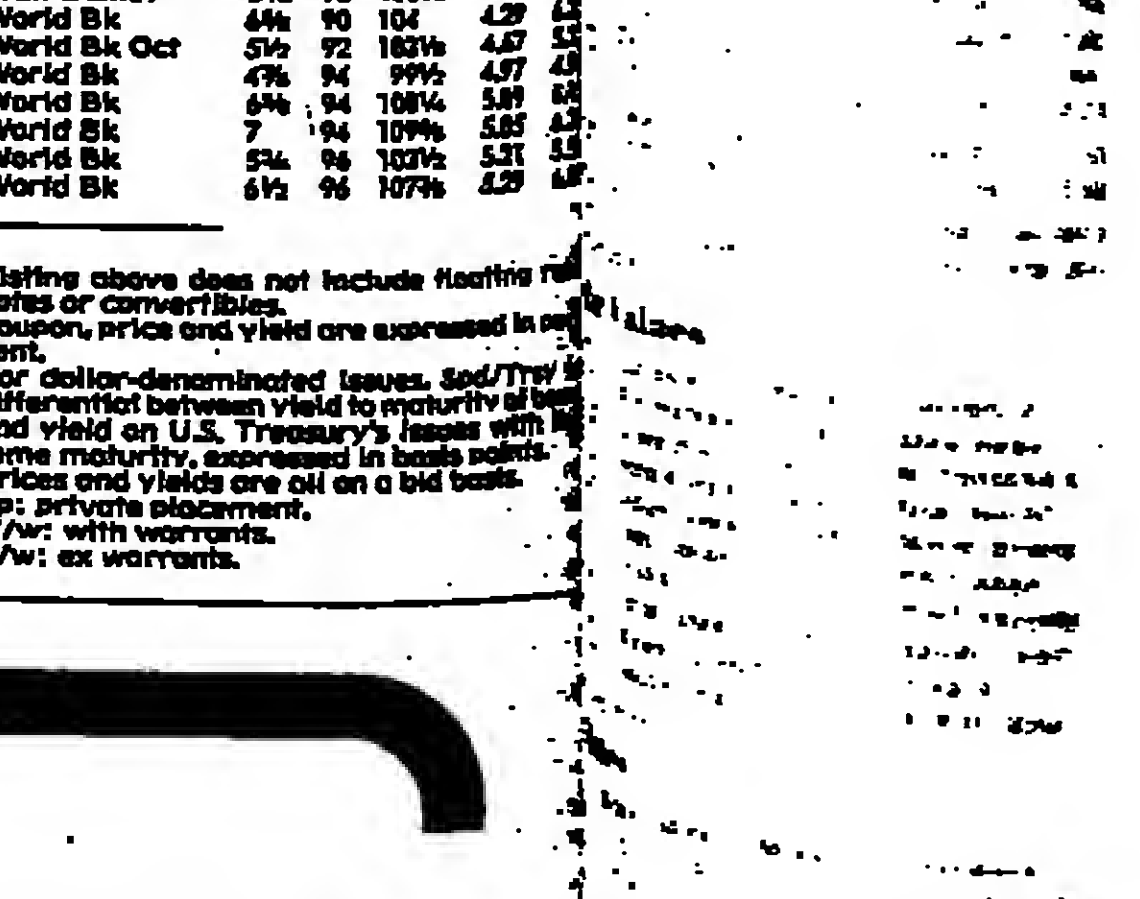
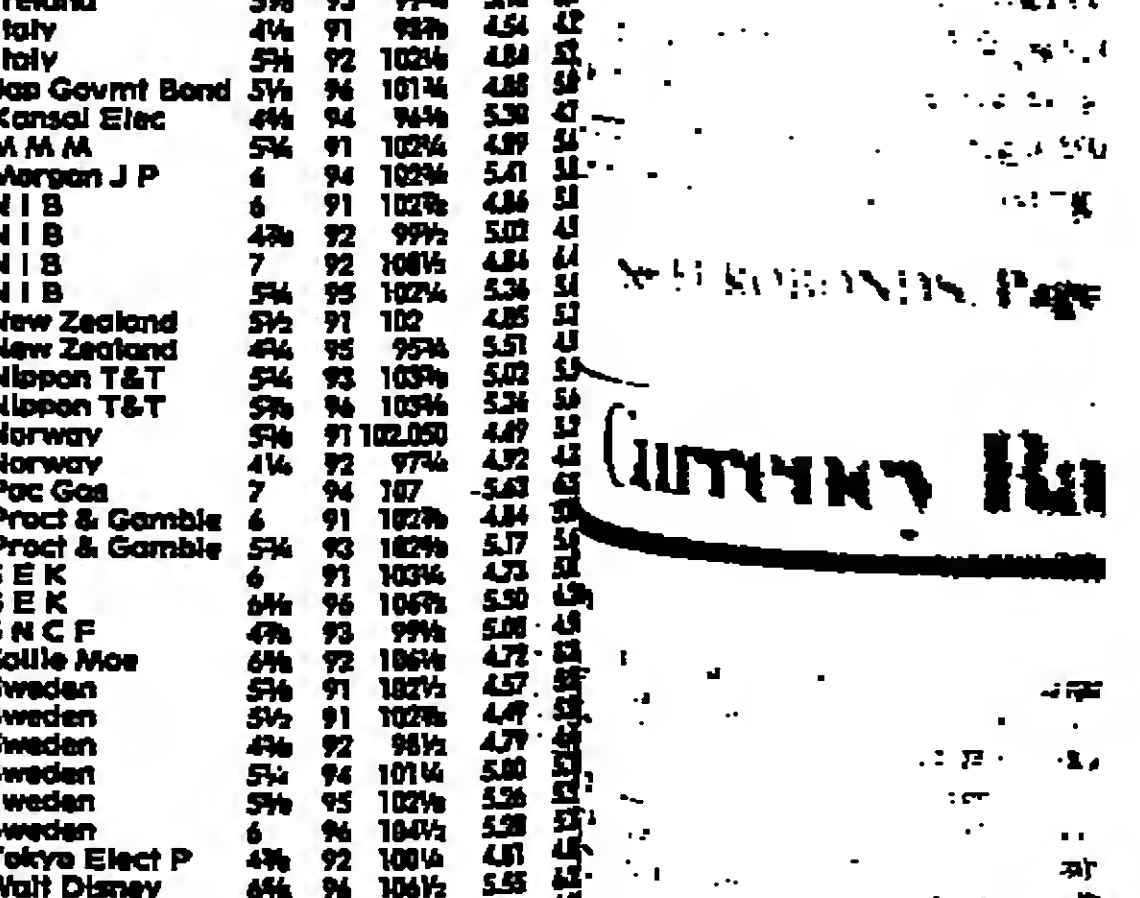
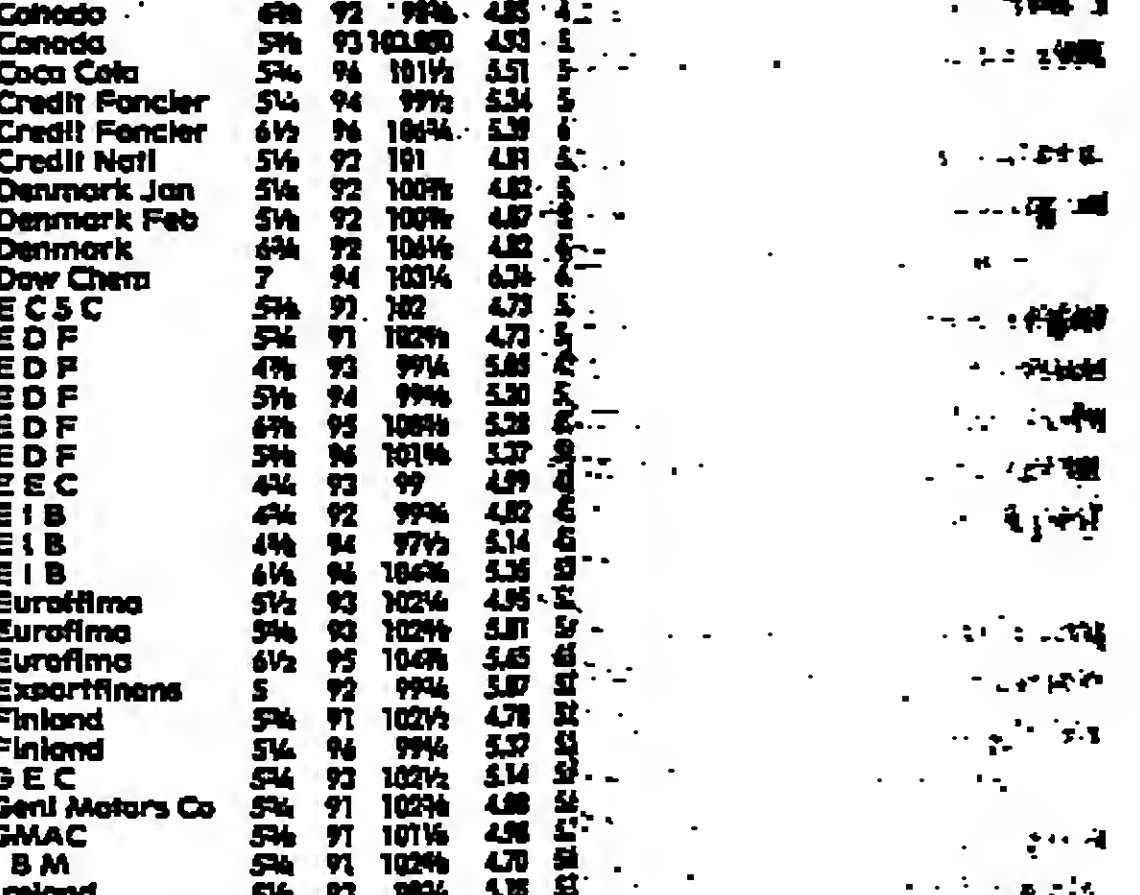
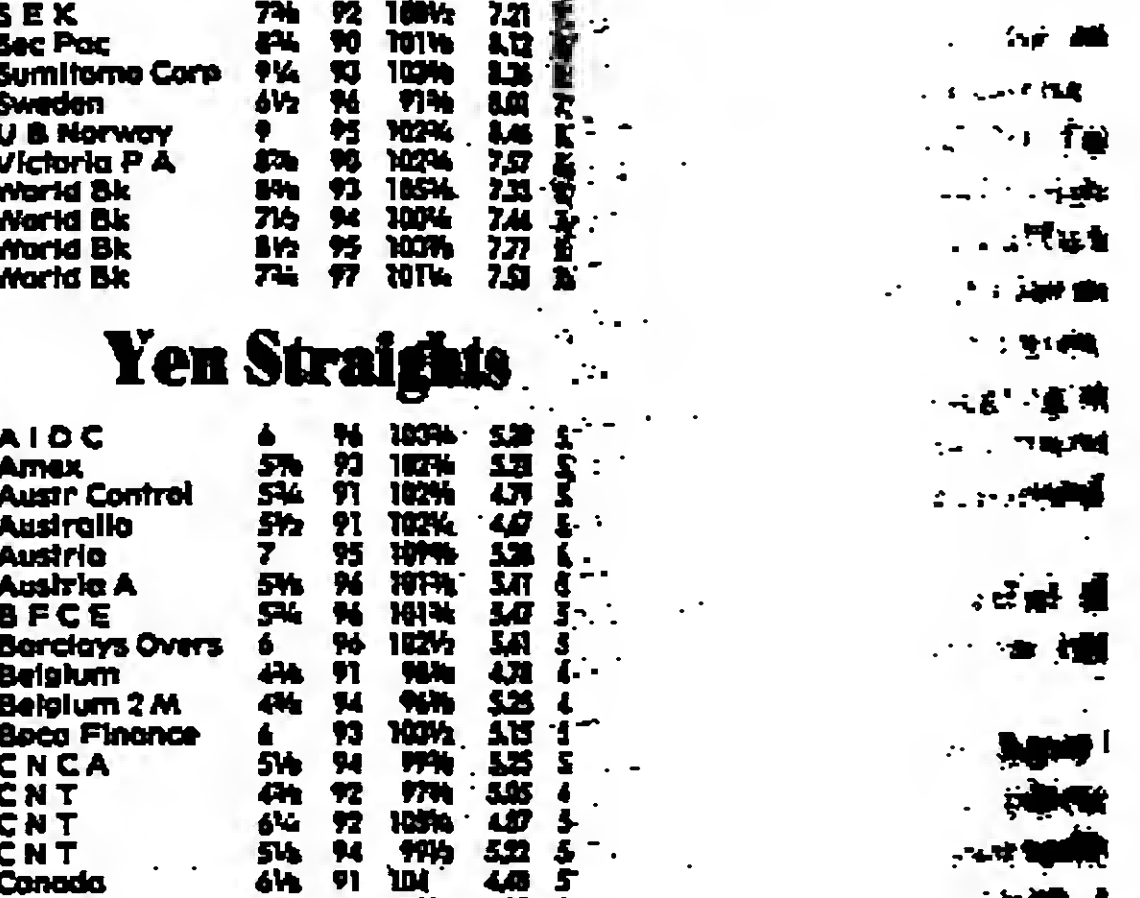
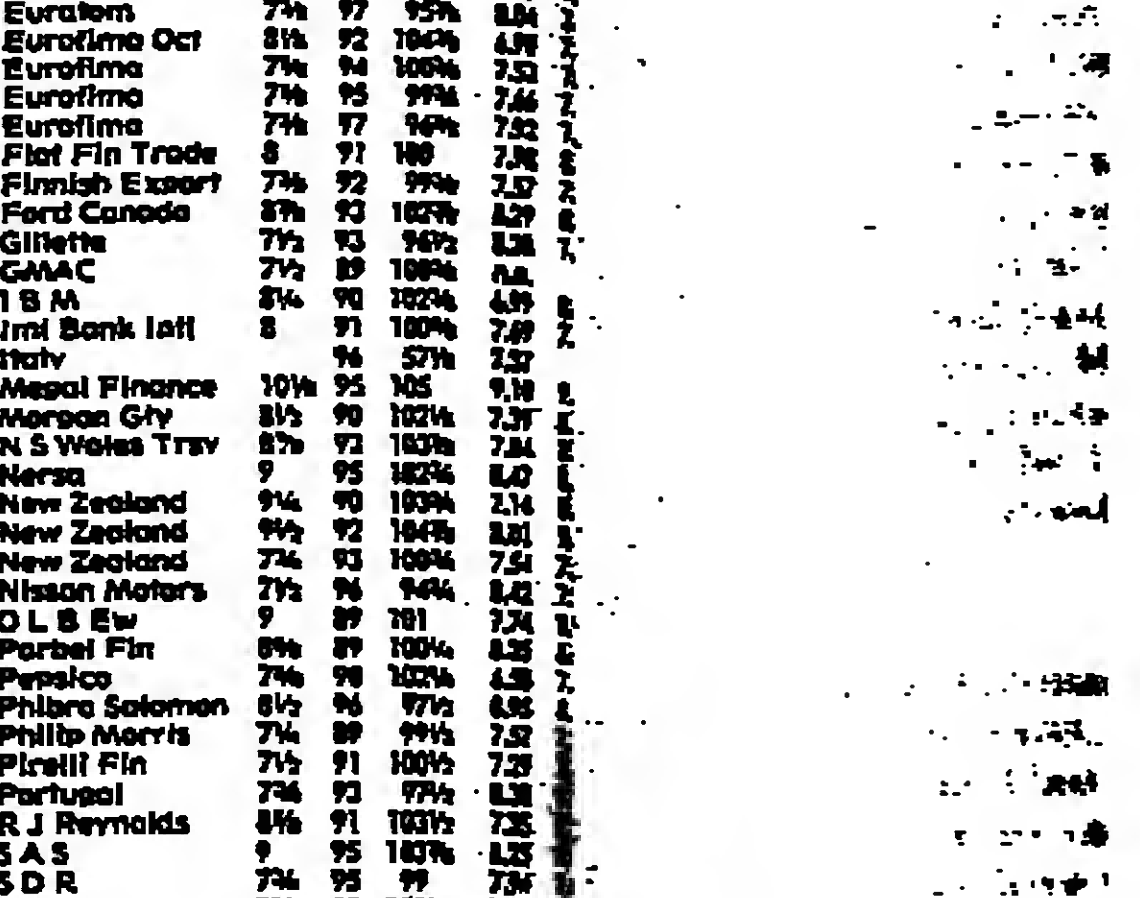
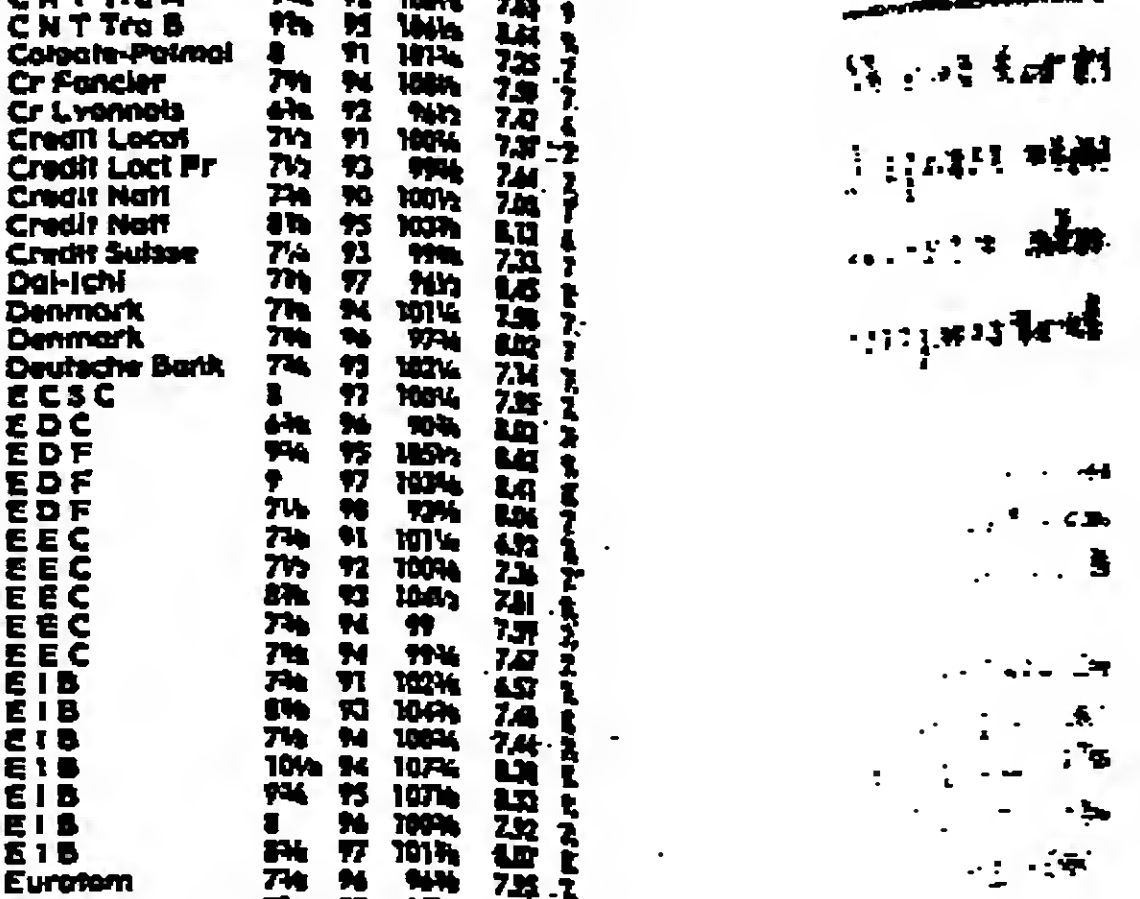
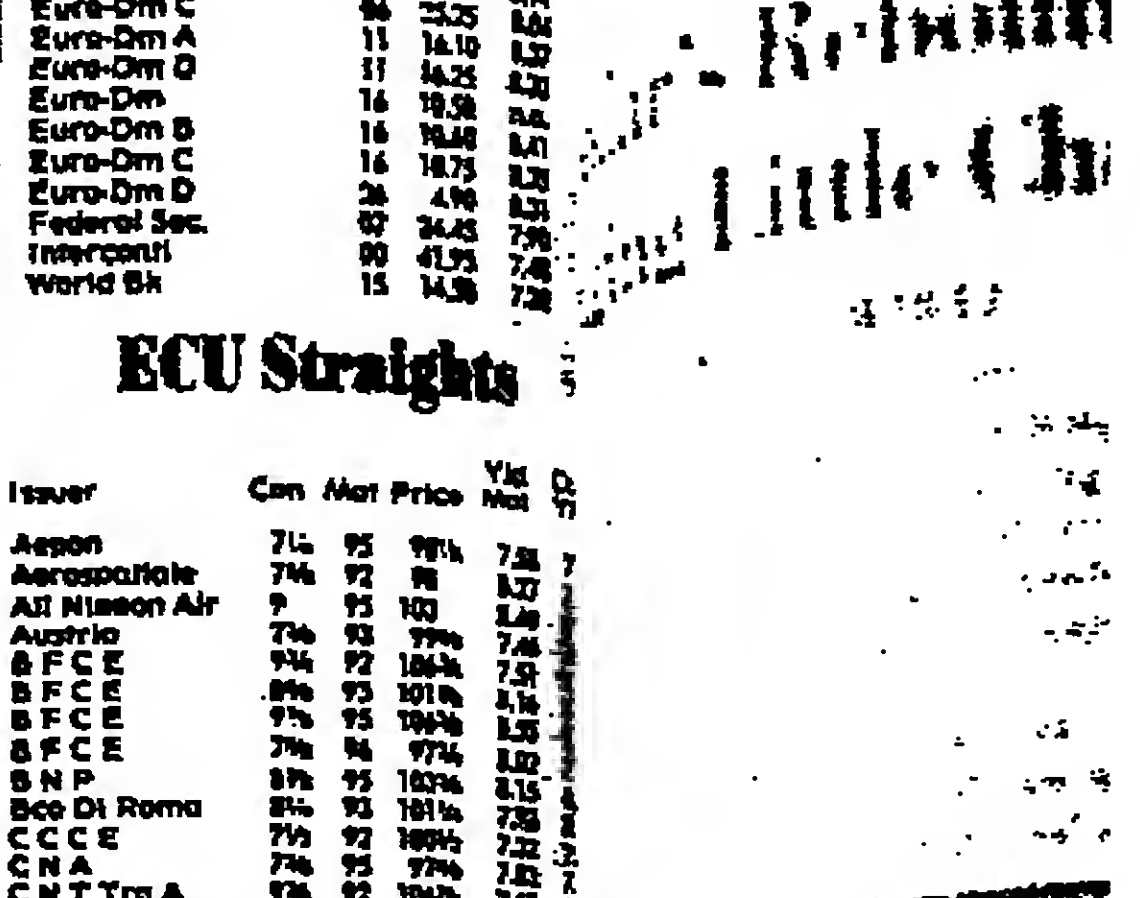
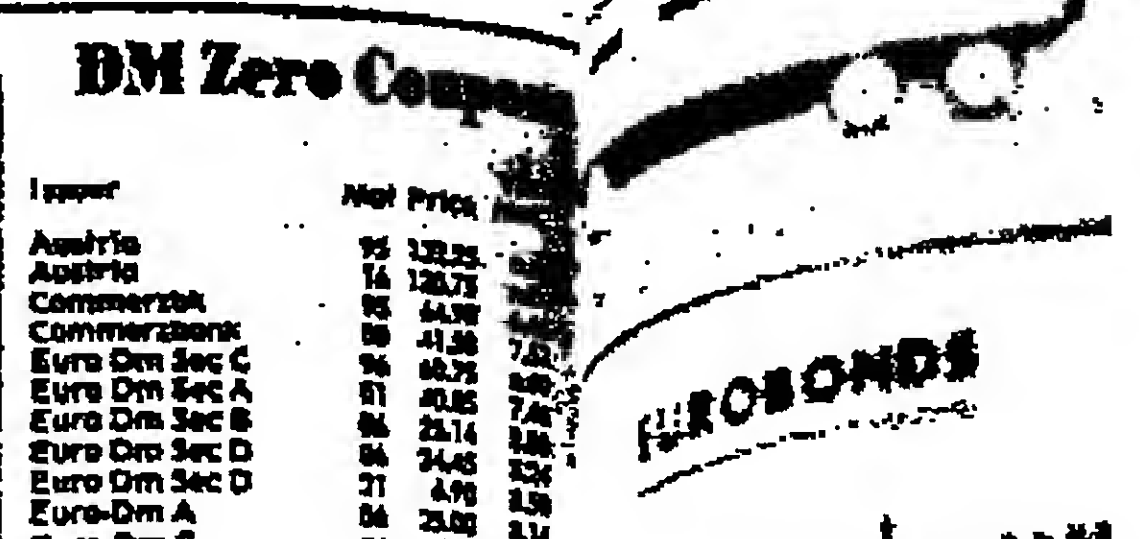
Issuer	Con	Mat	Yld	Spd
ECU STRAIGHTS				
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85
Govt	7%	9/10	7.25	+85

## Yen Straights

Prices as of close of trading Friday June 17

Issuer	Con	Mat	Yld	Spd
YEN STRAIGHTS				
Govt	8%	9/10	8.25	+85
Govt	8%	9/10	8.25	+85
Govt	8%	9/10	8.25	+85

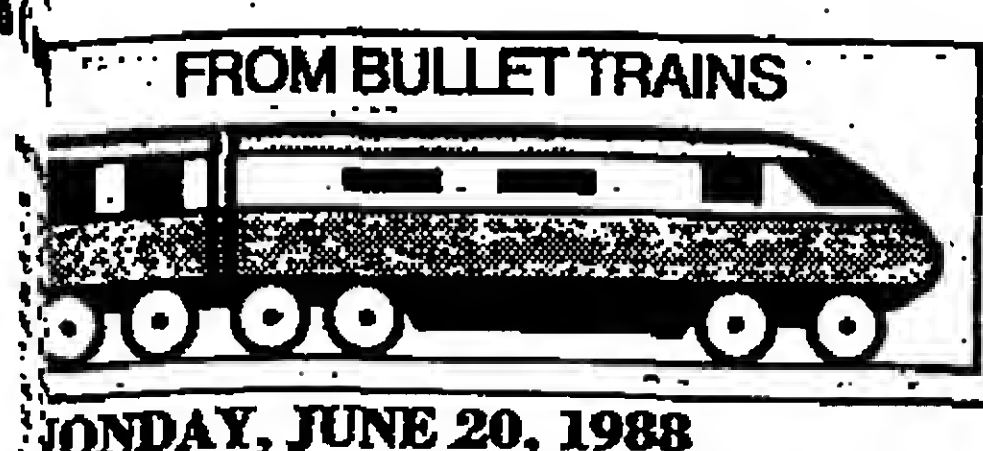
Continued on page 11



WestLB Fixed Income and Equities Trading - for dealing prices call: [Phone Number]

WestLB Westdeutsche Landesbank

كندا، الجول



MONDAY, JUNE 20, 1988

# Herald Tribune BUSINESS/FINANCE

TO HOME ELECTRICS  
In Touch with Tomorrow  
**TOSHIBA**

## EUROBONDS

### The Dollar's Rebound Is Bringing Little Cheer

**By CARL GEWIRTZ**  
*International Herald Tribune*

PARIS — The dollar hit a seven-month high last week. But instead of spreading cheer that the long decline from the 1985 peaks may finally have run its course, foreign officials grumbled, bond markets tumbled and analysts warned that it was all a jumble — that by year's end, the dollar could again be under attack.

The grumbling was provoked by fears of inflation. As the dollar rises, so does the cost of imported raw materials in West Germany and Japan. Most of these are priced dollars and most, except for oil, have been increasing sharply.

To put a number on it, economists at the Organization for Economic Cooperation and Development estimate that a 15 percent appreciation of the dollar — already up 11 percent from its 1988 low at 1.75 Deutsche marks — would raise consumer prices in Germany 0.4 percent in the first year and 0.8 percent by the second year. That's substantial, given that the year-to-year price rise in May was only 1.1 percent.

Add to the translation effects from dollars into marks (or yen) the fact that the cost of goods is also rising in dollar terms and the prospect of imported inflation appears great. On top of that is the constant worry of faster domestic inflation, the result of above-average growth in the money supply during the past two years.

One response to both problems is for central banks to sell dollars, which caps the dollar's tendency to rise and also reduces the volume of local currency in circulation. There's another benefit: Dollar sales create room for the central banks to resume intervention to support the dollar when it comes under attack.

Analysts expect the West German central bank could really start to unload dollars if the rate climbed past 1.76 DM. So far, it has been modest, estimated at about \$6 billion in recent weeks. But they have not stopped the appreciation of the dollar, which has gained some 3 percent since the last week of May, giving credence to reports that the Bundesbank will shortly raise money-market rates by a quarter-point.

EVEN long-time critics of West Germany's timid growth policy are urging a rise in interest rates. Rimmer de Vries, Morgan Guaranty's economist, said last week that this was the ideal moment for the Bundesbank to raise money-market rates. He said that the aim should be to drive the dollar down to 1.55 DM, a 13 percent appreciation for the mark.

Mr. de Vries said that earlier concerns about slow West German growth have been superseded by faster-than-expected growth in the seven major industrialized countries, now running about 4 percent, he estimated. This is sufficiently robust not to need to worry about any slowing in West Germany resulting from a modest increase in short-term interest rates.

The Japanese last week did some snuggling up of rates and that, coupled with the expected West German move, sent bond prices on all markets skidding, as investors assumed the United States would be obliged to follow.

The Japanese have been more successful than the West Germans in holding their currency in a narrow range, about 121-131 yen to the dollar.

A Bank of Japan is reported also to have been lightening up its dollar holdings, but in a less obvious way than the Bundesbank. The Bank of Japan reportedly lends dollars to overseas financial institutions, which then sell the dollars for yen. But until the central bank is repaid in yen, the dollars appear as its books.

At the same time, Japanese manufacturers remain big earners of dollars — an element missing in West Germany — despite a tighter lid on the exchange rate.

But the dollar's current strength is not regarded as sustainable. Brendan Brown, County NatWest economist, said the strength is "an exaggerated response" to the robust U.S. economic growth; the recent modest rise in short-term interest rates; and the decline in the U.S. trade deficit for April to \$9.9 billion, the west in 40 months.

Mr. Brown said he doubted the dollar's improvement could be sustained. He sees "no further improvement" in narrowing the trade deficit in coming months, as the high level of U.S. economic activity will sustain demand for imports.

Mr. de Vries estimates U.S. economic growth at a 3.5 percent annual rate in the current quarter and likely to hold that in the third quarter, little changed from the 3.9 percent registered in the first quarter. With U.S. industry working so close to capacity and near to full employment, he sees foreign manufacturers able to use U.S. sales prices without fear of losing additional business.

See EURO BONDS, Page 13

### Currency Rates

	6 Mo.	1 Yr.	1 Yr.	1 Yr.	1 Yr.	1 Yr.	1 Yr.	1 Yr.
Western	1.785	1.828	1.828	1.828	1.828	1.828	1.828	1.828
Latin	3.47	3.53	na.	3.53	3.53	3.53	3.53	3.53
Asia	178	178	178	178	178	178	178	178
Other	178	178	178	178	178	178	178	178

### Money Rates

	30-day	60-day	90-day	180-day	360-day
U.S.	10.25	10.25	10.25	10.25	10.25
Germany	10.25	10.25	10.25	10.25	10.25
Japan	10.25	10.25	10.25	10.25	10.25

### Last Week's Markets

All figures are as of close of trading Friday

	June 17	June 16	Change
Dollar Index	110.42	110.12	+0.30
100	289.99	289.99	0.00
200	289.99	289.99	0.00
300	289.99	289.99	0.00
400	289.99	289.99	0.00

## Beef Pact Could Be In Sight

### U.S.-Japan Talks Make Progress

**Compiled by Our Staff From Dispatches**

TOKYO — Japanese and U.S. negotiators are likely to resolve a long-standing dispute over beef and citrus imports to Japan on Monday, Japanese officials said Sunday.

The officials said on Japanese television that the U.S. trade representative, Clayton K. Yeutter, and Japan's agriculture minister, Takashi Sato, would have a third and final meeting on liberalizing trade in the commodities on Monday morning.

The second of two meetings between Mr. Yeutter and Mr. Sato on Sunday produced an understanding on Japan's provisions for emergency beef-import curbs, a Japanese Agriculture Ministry official said on Nippon TV.

These provisions had been the major obstacle to an agreement. With that matter resolved, the two sides accepted an outline expected to be fleshed out and signed Monday, the officials said.

Reports on NTV and on the government's television station and by Japan's Kyodo news service all quoted only Japanese sources as saying an early agreement was expected.

After the first meeting, Mr. Yeutter had described the negotiations as not very productive, saying that "several obstacles" remained in the way of an agreement.

Sources in Tokyo said the United States had proposed earlier that Japan liberalize U.S. beef imports in three years, with the United States allowing Japan to impose emergency controls for two years after liberalization. Japan argued that the time limit would pose a threat to its farmers and insisted that emergency curbs be permanent.

Under the fiscal 1987 quota accord, which expired on March 31, Japan imported 214,000 tons of beef, 126,000 tons of fresh oranges and 8,500 tons of orange juice from the United States.

Washington has been demanding full liberalization of Japanese beef and orange imports.

(Reuters, AP)



## A Modest Recovery Begins in Texas

### Improvement Omits Banking and Real Estate Sectors

**By Thomas C. Hayes**  
*New York Times Service*

In the shadow of the spectacular boom-and-bust cycles of oil and real estate markets, Texas is beginning a modest but unmistakable economic recovery, analysts said.

Although its financial institutions and commercial real estate sector continue to face turmoil, other areas are fashioning a recovery from the worst economic slump in the state since the Depression.

The turnaround has been fashioned out of steady oil prices, a shift to electronics and high-technology manufacturing, small-business growth, a healthy farm and ranch sector, a growing population and the improved outlook for U.S. exports because of the weak dollar.

"We are seeing slow, steady improvement that is sustainable and also laying the base for a much broader economic rebound," said Bernard L. Weinstein, director of the Center for Enterprise at Southern Methodist University in Dallas.

To be sure, Texas must overcome the calamity in its financial institutions, which had losses of \$20 billion in capital in the past three years, mainly because of major errors in oil and real estate lending.

A deepening crisis in real estate threatens to plunge the state back into recession if there is no reduction in the \$15 billion in foreclosed property held by banks and savings institutions in the state.

Yet, by most accounts, the state's economy has been on an upward swing for several months. M. Ray Perryman, head of the Baylor Forecasting Service at Baylor University in Waco, said he believed the overall economy was enjoying a "significant" recovery, although the financial and real estate troubles are hardly over.

Mr. Perryman warned that the improvement

## Fed Study Finds U.S. Goods More Competitive

**United Press International**

NEW YORK — Several factors have combined to increase the competitiveness of products made in the United States, and further improvements are likely, the Federal Reserve Bank of New York said.

The New York Fed cited a weak dollar, wage restraint, and improved productivity and quality for the increasing competitiveness of U.S. goods. Its findings were contained in a report for release Monday.

The full impact of the depression of the dollar, however, will not be felt until the end of next year, and continuing efforts to improve productivity and quality are foreseen at least through the end of the decade, the report said.

"U.S. manufacturing has clearly become more competitive in recent years," according to the report.

"This achievement was the result of sharp dollar depreciation, wage restraint and development and the initial returns on that expenditure are about two years."

"Over time, these positive trends should lead to greater U.S. competitiveness, with a concomitant decline in the U.S. foreign trade deficit and improved job opportunities and compensation for manufacturing employees," the study said.

The conclusions were based on an analysis of 11 "broadly defined industry groupings" in the 1980s. These were automobiles, paper, steel, electronic parts, pharmaceuticals, construction equipment, consumer electronics, machine tools, electric power generating equipment, textile machinery and general aviation aircraft.

The report estimated that the typical U.S. factory spends 20 to 25 percent of its operating budget finding and fixing defective products. This estimate does not include the cost of repairing products after they have been shipped from factories.

Quality problems were found in five of the industry groups.

Two of these — steel and electronic parts — had eliminated their quality deficiencies by the end of the appraisal period," the report said.

The three other sectors are working to curb quality problems. In particular, "the U.S. automobile

## U.K. Output May Grow More Slowly

**Reuters**

LONDON — British manufacturers expect output growth to slacken slightly over the next four months as demand slows, according to a report issued Monday.

Order books remained above normal but were less buoyant than last month, the Confederation of British Industry, an employers' group, said in its June Industrial Trends survey.

The number of manufacturers expecting to raise their prices was a little higher than in May, but weaker order books suggested competitive pressures would continue to restrain price rises, the CBI added.

The report said 30 percent of companies surveyed expected their output to rise over the next four months, down from 34 percent recorded in May.

## Local Governments: Fiscal Instability Beyond Washington

**By John Meehan**  
*International Herald Tribune*

NEW YORK — After years of lecturing the U.S. government about the evils of deficit spending, experts are now casting a wary eye on state and local governments, where a pattern of rising spending and slowing revenue is threatening to undo a reputation of financial stability.

There is no suggestion that the problem is as severe as the fiscal crisis that befell cities in the mid-1970s. Officials still have dark memories of the years when thousands of municipal workers were laid off amid high inflation and weak economic growth. Solutions often were complicated by mismanagement, as in New York City.

To varying degrees, however, state legislatures, city councils and school boards are now finding it increasingly difficult to make ends meet.

Some economists are already warning of possible economic consequences as states and local governments raise taxes and reduce expenditures. Although this is a remedy often prescribed for Washington, the state and local administrations must act in most cases before the economy pay much attention.

Robert Reischauer, an expert on state and local government fiscal matters at the Brookings Institution in Washington, added: "The most distressing thing is that we shrined at lower levels of government."

Aside from 50 state governments, there are 83,166 local governments in the United States, ranging from county and city administrations to sewer and recreation districts. They spent about \$775 billion in fiscal 1987, according to Mr. Reischauer, and traditionally have accounted for 11 to 12 percent of the nation's gross national product.

Until recently, few analysts were worried. After massive assistance from Washington bailed out many of the nation's cities in the 1970s, state and local officials worked hard to regain financial stability, and succeeded in most cases, thanks to a sustained U.S. economic recovery. Indeed, critics of Washington's expanding deficit often cited the states as models of fiscal prudence.

However, in February, the Commerce Department reported that the deficit became apparent to auditors just weeks after the legislature enacted a \$2.8 billion spending package for the fiscal year that began April 1. Now officials are debating which programs to cut to make up for an estimated \$900 million shortfall.

"There's no massive this or massive that, but there certainly is a squeeze on spending," said Edward

See LOCAL, Page 14

## California Rules Against Batus Bid for Farmers

**Los Angeles Times Service**

LOS ANGELES — In an unexpected decision, the California insurance commissioner has disapproved a \$4.35 billion hostile takeover bid by Batus Inc. for Farmers Group, the giant U.S. insurance holding company.

The commissioner, Roxanne M. Gillespie, on Friday invoked the state code, which provides that companies selling insurance in California cannot be owned or controlled by government entities from outside the state.

Including pension funds and nationalized industries, such entities own more than 10 percent of BAT Industries PLC, the London-based parent of Batus and the world's largest tobacco company.

In Louisville, Kentucky, Batus said it would appeal the ruling as unconstitutional, Reuters reported.

If the same interpretation were applied to other publicly owned insurance companies in California, Batus argued, several hundred companies would not be qualified to write insurance in the state, among them Farmers Group, Allstate, Transamerica, Chubb, Cigna, CNA, Firemen's Fund, Geico and Travelers.

In a 1984 opinion, however, the department's general counsel determined that a company that was 2 percent owned by out-of-state government interests could take over a California insurance company.

No single government entity owns more than 2 percent of BAT stock, according to a report from a department panel that held hearings into the matter in late May.

The evidence, however, did not establish whether pension plans and other governmental shareholders ever act in concert to control BAT business decisions, the commissioner said.

Batus owns the nation's third largest tobacco company, Brown & Williamson Tobacco Corp., makers of Viceroy, Kool and Raleigh cigarettes.

Ms. Gillespie stressed that the move was not influenced by intensive lobbying by Farmers. Some insurance department staff members have read the California law as banning takeovers by companies with even a single share in the hands of out-of-state government entities, she said.

**BUSINESS SCHOOL LAUSANNE**  
Seminar M.B.A.  
Master of Business Administration  
Take the eighteen subjects of the M.B.A. in modular units (3 subjects each) over 3 days every 3 months. Three years completion time necessary. Minimum of 5 years business experience necessary plus GMAT.

**MONTEREY TRUST S.A.**  
Société anonyme d'investissement  
Registered office: Luxembourg, 14, Rue Aldringen  
Commercial register: Luxembourg Section B, No. 7553

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

The Annual General Meeting of Shareholders of MONTEREY TRUST S.A., will be held at its registered office at Luxembourg, 14, Rue Aldringen, on June 28th, 1988, at 15:00 hours for the purpose of considering and voting upon the following matters:

- To hear and accept:
  - a) the management report of the directors
  - b) the report of the statutory auditor.
- To approve the statement of net assets and statement of operations for the year ended March 31st, 1988 and to allocate the net profit;
- To discharge the directors and the auditor with respect to their performance of duties during the year ended March 31st, 1988;
- To elect the directors to serve until the next annual general meeting of shareholders;
- To elect the auditor to serve until the next annual general meeting of shareholders;
- Any other business.

The shareholders are advised that no quorum for the statutory general meeting is required and that decisions will be taken at the majority of the shares present or represented at the meeting.

In order to take part at the statutory general meeting of June 28th, 1988 the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14, Rue Aldringen, Luxembourg, or with the following bank:

**BANQUE GENERALE DU LUXEMBOURG S.A.**  
14, Rue Aldringen, Luxembourg.

The Board of Directors

**BANQUE NATIONALE DE PARIS**  
Floating Rate Note Issue of U.S. \$225 million  
June 1981-96

The rate of interest applicable for the period beginning June 15th, 1988 and set by the reference agent is 7 7/8% annually.



## New International Bond Issues

Compiled by Bassam Aoun

Issuer	Amount (millions)	Mat.	Coup %	Price	Price end week	Terms
<b>FLOATING RATE NOTES</b>						
Franklin Savings Association	\$504.15	2004	libor	100	—	Coupons will be 3-month Libor x 1.15. Average life 4 1/2 years. Fees 0.15%. Denominations \$100,000.
Royal & West Riding Society	£150	1993	1/16	100	—	Over 6-month Libor, set monthly. Noncallable. Fees 0.25%.
Woodwich Equitable Building Society	£200	1993	3/4	100	—	Over 3-month Libor. Noncallable. Fees 0.25%. Denominations \$10,000.
Woodbank	¥10,000	1993	0.02	101 1/8	—	Over the Japanese long-term prime rate, semi-annually. Redemption amount or maturity will be linked to the performance of the Nikkei 225 Index. Noncallable. Fees 15%. Denominations 100 million yen.
<b>DEBT-COUPON</b>						
Algium	\$250	1998	9%	101 1/8	98.83	Noncallable. Fees 2%. Denominations \$100,000.
P. America	\$100	1989	9%	101 1/8	—	Noncallable. Fees 3%. Denominations \$1 million.
Campbell Soup	\$100	1991	8 1/4	101	99	Noncallable. Fees 15%.
Coca Cola Enterprises	\$150	1991	8 1/2	101.10	—	Noncallable. Fees 15%.
Electricité de France	\$150	1998	9%	101 1/8	98.63	Noncallable. Fees 2%.
General Motors Acceptance Corp.	\$250	1990	8 1/4	100.925	—	Noncallable. Fees 15%.
Harford Finance	\$100	1991	8 1/4	101.05	—	Noncallable. Fees 15%.
IF Finance Corporation	\$100	1994	8%	101 1/8	—	Noncallable. Fees 15%. Denominations \$100,000.
International Bank of Commerce	\$100	1993	9	100 3/4	97.63	Noncallable. Fees 15%.
Lebanon National Bank	\$150	1998	9%	101 1/8	98.95	Noncallable. Fees 2%.
Lebanon National Bank of Beirut	DM 175	1993	5 1/2	100 1/4	—	Noncallable. Fees 2%.
National Bank of Egypt	DM 200	1994	6 1/4	100 3/4	99.00	Noncallable. Fees 2 1/2%.
European Investment Bank	FF 1,500	1995	8 1/4	101 1/8	99.63	Noncallable. Fees 15%.
IF Finance Corporation	RM 250	1995	9%	100 3/4	—	Noncallable. Fees 15%.
Alberta Province	CS 500	1992	10	101 1/8	99.93	Noncallable. Fees 15%.
American Express Overseas Credit	CS 50	1991	10	101.20	99.50	Noncallable. Fees 15%.
General Motors	CS 125	1995	10 1/4	101 1/8	98.13	Noncallable. Fees 15%.
Alaba Luxembourg	CS 60	1991	10	101 1/8	100.05	Noncallable. Fees 15%.
Bank of Montreal	CS 150	1991	9%	101 1/8	99.63	Noncallable. Fees 15%.
Bank of Montreal	Aus 50	1992	13	101 1/8	99.75	Noncallable. Fees 15%.
Crédit Commercial de France	Aus 50	1991	13 1/4	101 1/8	100.00	Noncallable. Fees 15%.
New Zealand	Aus 200	1995	8	83 1/8	—	Yield 12.19%. Noncallable. Fees 2%. Denominations \$10,000.
Österreichische Länderbank	Aus 50	1991	13 1/4	101 1/8	99.25	Noncallable. Fees 15%.
Österreichische Länderbank	Aus 50	1993	7.65	100	—	Noncallable. Redemption of maturity in Australian dollars and yen, without interest to foreign-exchange levels. Fees 2%. Denominations Aus\$100,000.
Yokohama Specie Bank	¥10,000	1993	zero	81.585	—	Yield 4.64%. Redeemable and callable at ¥1.23 in 1991. Proceeds \$ billion yen. Fees 15%. Denominations 10 million yen.
Yokohama Specie Bank	¥10,000	1994	2	101.225	—	Coupon will be 2% in first 2 years, 2.5% in 1990, 3% in 1991, and 3.5% thereafter. Fees 15%. Denominations 100 million yen.
Compagnie Bancaire	¥5,000	1993	5	101 1/8	—	Noncallable. Fees 15%. Denominations 10 million yen.
Compagnie Bancaire	¥6,000	1993	2	101 1/8	—	Coupon will be 2% until 1990 and 6 1/2% thereafter. Noncallable. Fees 15%. Denominations 100 million yen.
State Bank of New South Wales	¥20,000	1993	9	113 1/8	—	Coupon will be 9% until 1990 and 5 1/2% thereafter. Noncallable. Fees 15%.
Woodbank	¥5,000	1993	2 1/4	101 1/8	—	Coupon will be 2 1/4% until 1990 and 6.4% thereafter. Noncallable. Fees 15%. Denominations 100 million yen.
<b>WARRANT-LINKED</b>						
Yokohama Specie Bank	\$400	1993	open	100	99.00	Coupon indicated at 4 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set June 22.
Photo Film	\$400	1992	open	100	102.50	Coupon indicated at 3 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set June 21.
Goodyear Tire & Rubber	\$150	2003	6%	100	98.00	Callable at 103 in 1991. Convertible at \$804 per share, or 20% premium. Fees 2 1/2%.
Yokohama Synthetic Rubber	\$100	1993	4	100	103.00	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,117 yen per share and of 127.00 yen per dollar. Fees 2 1/2%.
Yokohama Securities	\$100	1993	4 1/4	100	102.00	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,271.17 yen per share and of 127.20 yen per dollar. Fees 2 1/2%.
Yokohama Gumi	\$400	1993	open	100	100.00	Coupon indicated at 4 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set June 22.
Yokohama Kasei	\$200	1993	4	100	101.75	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 1,261 yen per share and of 127.25 yen per dollar. Fees 2 1/2%.
Yokohama Irochemical	\$200	1993	open	100	100.00	Coupon indicated at 4 1/4%. Noncallable. Each \$10,000 note with one warrant exercisable into company's shares of an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set June 20.
Yokohama Securities	\$50	1993	open	100	101.00	Coupon indicated at 4 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set June 21.
Yokohama Leasing	\$50	1992	open	100	101.00	Coupon indicated at 3 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set June 22.
Yokohama Department Store	\$200	1993	open	100	100.00	Coupon indicated at 4 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set June 22.
Yokohama Land	\$150	1993	4	100	101.75	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 994 yen per share and of 126.20 yen per dollar. Fees 2 1/2%.
Yokohama Copper	FF 1,520	1997	6 1/4	100	100.25	Callable at 105 in 1992. Convertible into company's shares of 1,520 French francs per share, or 13.46% premium. Fees 2 1/2%.
Yokohama Irochemical	DF 150	1993	open	100	—	Coupon indicated at 3 1/4%. Noncallable. Each 10,000-guilder note with one warrant exercisable into company's shares of an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set June 20.
Yokohama Irochemical	ECU 100	1993	open	100	98.50	Coupon indicated at 3 1/4%. Noncallable. Each 5,000-ecu note with one warrant exercisable into company's shares of an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set June 22.

## EUROBONDS: No Cheers as the Dollar Rebounds

The new-issue calendar for fixed-income dollar debt was the third busiest of the year at \$1.45 billion. That's equal to half the amount raised in this sector during May. Especially noteworthy last week were three issues with a maturity of 10 years. So far this year, only 10 long-dated issues have been marketed. Bankers attributed the sudden popularity to a desire on the part of investors to pick up higher income on long-dated paper. There was also a large amount of switching by institutions, selling seasoned sovereign paper trading at thin margins of 10 to 15 basis points over U.S. Treasury rates to move into the new, higher-yielding paper. Belgium sold \$250 million to yield 65 basis points, or 0.65 of a percentage point, more than comparably dated U.S. government paper, while the state-guaranteed Electricité de France and SNCF each sold \$150 million to yield 51 basis points over the benchmark rate. Belgium paid more, because its notes are registered and offered only in large denominations of \$100,000, in contrast to the bearer bonds preferred by the market.

Short-dated paper, up to now the favored instrument because of the minimized exposure to interest rate increases, also was in evidence and remained popular with retail investors, particularly in Switzerland. But by week's end, with the New York bond market down sharply, all the new issues traded outside the fees paid to underwriters. The Canadian-dollar sector saw the largest single issue yet, 500 million dollars for Alberta. Investors like the size, as it assures a liquid after-market. But at the offering price, it remains a question what kind of a bargain it is for investors. Alberta tapped the Euro market because it's cheaper than domestic financing, and as domestic paper is free of withholding tax to foreign investors, higher-yielding paper can be bought in Canada. But this is also true for U.S. issuers tapping the Euro market, and that has not stopped investors from buying new issues. Retail institutional investors continue to be attracted to the Canadian dollar because of the higher yields than on U.S. paper.

## Banks Set Terms of European Disneyland Loans

By Carl Gewirtz  
International Herald Tribune  
PARIS — Underwriters of the financing that EuroDisneyland is to raise later this year met here last week to sort out the details of the complicated structure of the loan. In all, seven banks have agreed to underwrite a package of bank credits that is expected to total 7.2 billion French francs (\$1.22 billion), of which not more than a third will be in foreign currencies. The seven are Banque Nationale de Paris, Citicorp, Caisse Nationale de Crédit Agricole, Deutsche Bank AG, J.P. Morgan & Co., Long-Term Credit Bank of Japan Ltd. and Swiss Bank Corp. The main portion of the 18-year loan will be a 5 billion franc syndicated credit. In addition, there will be a letter of credit facility — the foreign currency portion — and a stand-by facility to cover cost overruns. Banks participating in the transaction will be expected to take pro-rata shares in all the facilities. The loans are expected to reach the market at the end of the summer, but drawings will not be permitted until the equity of EuroDisneyland has been arranged. Walt Disney Co. has an option of taking a stake of no less than 16 percent

not more than 49 percent. The final amount has not yet been decided, but the equity to be sold to the public will not exceed 1 billion francs. Participants at the Friday meeting said the terms of the loans had been agreed upon but refused to divulge them. **INTERNATIONAL CREDIT** been agreed upon but refused to divulge them. The market for franc loans remains active, but terms are hardening. Facility fees, which last year hit a low of 4 basis points, are now in the low teens and drawing charges also are rising. In part, this reflects the heavy past activity — banks are becoming more selective — and the fact that many of the best-quality names have already tapped the market. Alitalia is currently seeking 600 million francs for five years. It will pay 15 basis points over the interbank rate for the first three years and 17.5 basis points thereafter. Banks underwriting 60 million francs will earn a front-end fee of 12 basis points. There are no utilization charges and no commitment fees because the loan will be drawn in full immediately. Epeda Bertrand Faure, the lead-

## Chinese Bonds Pose a Problem For Taiwan

TAIPEI — Taiwan's government has been confronted with a potentially crippling problem: It is being asked to redeem bonds issued more than 40 years ago in China. Taiwanese visitors to China are returning with stacks of bonds sold on the mainland by the Nationalists before they were driven to Taiwan by the Communists in 1949. Financial officials say tens of billions of dollars worth of bonds were issued in the final years of Nationalist rule, when the country was locked in civil war and ravaged by inflation. Some of the bonds are in private hands and some were seized by the Communists during the war. If they were all cashed in, Taiwan would be bankrupt, officials say. Taiwan has refused to recognize the bonds brought back since a ban on travel to China was lifted last year. Officials said they were worried that Beijing may also seek payment. Taiwan would "seriously consider" repaying the bonds if the Nationalists return to power in Beijing, an official said.

## East German Airbus Purchase Said to Be Nearly Complete

BONN — A deal to sell three Airbus A-310 jets to the East German state airline will be signed within two weeks, a senior West German government official was quoted as saying on Sunday. Die Welt, a Bonn daily newspaper, released an interview of Erich Riedl, state secretary of the Interior Ministry, in which he denied a previous report that the sale was tied to a reported credit of 1 billion Deutsche marks (\$570 million) for East Germany. The credit reportedly is being prepared by a West German consortium led by Deutsche Bank AG. "In the next 14 days, a contract with the East German company Interflug on delivery of three Air-

bus jets will be signed," Mr. Riedl said in the interview, which was released before its planned publication on Monday. He added that Interflug would sign a contract only with secured financing. On Saturday, the Hamburg-based weekly Der Spiegel reported the deal, but said it was tied to the 1 billion-DM credit. Because an A-310 is priced at 120 million DM, such an arrangement would leave East Germany with around 600 million DM for other purchases. The Coordinating Committee for Multilateral Export Controls, the Paris-based Western body that monitors high-technology exports, last week gave permission for the sale of three of the medium-range Airbus planes to Interflug, which were serviced in the West. The decision by COCOM, which includes Japan and all NATO members except Iceland, cleared the way for the first sales of Western high-technology aircraft to the East. East Germany will grant the West German carrier Lufthansa landing rights at Dresden as part of the Airbus deal, while Interflug will receive permission to land in Hanoi, Der Spiegel said. Both cities are hosts to major industrial trade shows. Premier Franz Josef Strauss of the West German state of Bavaria, who also is chairman of Deutsche Airbus GmbH, the German mem-

**ROYCO INVESTMENT COMPANY**  
Gross Surplus  
Month May 1988 4,99%  
Jan. 1st - May 31st 19,79%  
For further information contact:  
The Marketing Office  
ROYCO INVESTMENT COMPANY SA  
8 Rue Thalberg  
CH-1201 Geneva  
SWITZERLAND  
Tel.: (41 22) 32 35 56  
Tlx: 28 97 32

# JERSEY-BASED INVESTMENT. HIGH INTEREST, NO STRINGS ATTACHED.

The Halifax, the World's biggest building society has set up a high interest, no fuss investment opportunity in the Channel Isle of Jersey. Called HALIFAX DEPOSIT INTERNATIONAL it's a sterling based deposit account open to all those not ordinarily resident in the UK. If this includes you, then your investment can start with a minimum of £1,000 at the substantial rate of 7.75%. From there the interest rate rises on the whole investment as your balance steps up as follows:-

AMOUNT	INTEREST RATE	C.A.R.
£1,000	7.75%	7.90%
£10,000	8.25%	8.42%
£25,000	8.75%	8.94%
£50,000	9.00%	9.20%

If adding or withdrawing money alters your balance band, the interest rate is automatically adjusted. Your interest is paid gross without tax deducted, and is added twice yearly. So if you leave your full interest intact for the whole year you will receive a higher compounded annual rate (C.A.R.). Unlike some other accounts there is no minimum time limit for your deposit, and you can have instant access with no penalties. You're even entitled to standing orders and direct debits. Opening the account is just as fuss-free. Simply send us a cheque. We'll then send you all the relevant documentation, or if you would like more information telephone Jersey (0534) 59840. They say time is money. A little time sending in the coupon now will be time well spent for the future.

To Halifax Building Society, International Investment Unit, Ingouville House, Ingouville Lane, St. Helier, Jersey, Channel Islands. I/we enclose a cheque/money draft no \_\_\_\_\_ (minimum deposit £1,000) for \_\_\_\_\_

I/we are not ordinarily resident in the U.K. Please send the declaration form for the payment of gross interest. I/we would like the interest to be: Added to the balance  Paid half yearly

Full Name \_\_\_\_\_ Title \_\_\_\_\_  
Address \_\_\_\_\_  
Nationality \_\_\_\_\_ Tel No \_\_\_\_\_

This sum is being invested in HALIFAX DEPOSIT INTERNATIONAL by me/us as sole/joint beneficial owner(s).

Signature \_\_\_\_\_ Date \_\_\_\_\_ 006,00603

**HALIFAX**  
THE WORLD'S NO 1

# NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Sales In	High	Low	Close	Chg	Net
3000	11.25	11.125	11.25	0.125	+1
1000	11.125	11.00	11.125	0.125	+1
2000	11.00	10.875	11.00	0.125	+1
3000	10.875	10.75	10.875	0.125	+1
4000	10.75	10.625	10.75	0.125	+1
5000	10.625	10.50	10.625	0.125	+1
6000	10.50	10.375	10.50	0.125	+1
7000	10.375	10.25	10.375	0.125	+1
8000	10.25	10.125	10.25	0.125	+1
9000	10.125	10.00	10.125	0.125	+1
10000	10.00	9.875	10.00	0.125	+1
11000	9.875	9.75	9.875	0.125	+1
12000	9.75	9.625	9.75	0.125	+1
13000	9.625	9.50	9.625	0.125	+1
14000	9.50	9.375	9.50	0.125	+1
15000	9.375	9.25	9.375	0.125	+1
16000	9.25	9.125	9.25	0.125	+1
17000	9.125	9.00	9.125	0.125	+1
18000	9.00	8.875	9.00	0.125	+1
19000	8.875	8.75	8.875	0.125	+1
20000	8.75	8.625	8.75	0.125	+1
21000	8.625	8.50	8.625	0.125	+1
22000	8.50	8.375	8.50	0.125	+1
23000	8.375	8.25	8.375	0.125	+1
24000	8.25	8.125	8.25	0.125	+1
25000	8.125	8.00	8.125	0.125	+1
26000	8.00	7.875	8.00	0.125	+1
27000	7.875	7.75	7.875	0.125	+1
28000	7.75	7.625	7.75	0.125	+1
29000	7.625	7.50	7.625	0.125	+1
30000	7.50	7.375	7.50	0.125	+1
31000	7.375	7.25	7.375	0.125	+1
32000	7.25	7.125	7.25	0.125	+1
33000	7.125	7.00	7.125	0.125	+1
34000	7.00	6.875	7.00	0.125	+1
35000	6.875	6.75	6.875	0.125	+1
36000	6.75	6.625	6.75	0.125	+1
37000	6.625	6.50	6.625	0.125	+1
38000	6.50	6.375	6.50	0.125	+1
39000	6.375	6.25	6.375	0.125	+1
40000	6.25	6.125	6.25	0.125	+1
41000	6.125	6.00	6.125	0.125	+1
42000	6.00	5.875	6.00	0.125	+1
43000	5.875	5.75	5.875	0.125	+1
44000	5.75	5.625	5.75	0.125	+1
45000	5.625	5.50	5.625	0.125	+1
46000	5.50	5.375	5.50	0.125	+1
47000	5.375	5.25	5.375	0.125	+1
48000	5.25	5.125	5.25	0.125	+1
49000	5.125	5.00	5.125	0.125	+1
50000	5.00	4.875	5.00	0.125	+1
51000	4.875	4.75	4.875	0.125	+1
52000	4.75	4.625	4.75	0.125	+1
53000	4.625	4.50	4.625	0.125	+1
54000	4.50	4.375	4.50	0.125	+1
55000	4.375	4.25	4.375	0.125	+1
56000	4.25	4.125	4.25	0.125	+1
57000	4.125	4.00	4.125	0.125	+1
58000	4.00	3.875	4.00	0.125	+1
59000	3.875	3.75	3.875	0.125	+1
60000	3.75	3.625	3.75	0.125	+1
61000	3.625	3.50	3.625	0.125	+1
62000	3.50	3.375	3.50	0.125	+1
63000	3.375	3.25	3.375	0.125	+1
64000	3.25	3.125	3.25	0.125	+1
65000	3.125	3.00	3.125	0.125	+1
66000	3.00	2.875	3.00	0.125	+1
67000	2.875	2.75	2.875	0.125	+1
68000	2.75	2.625	2.75	0.125	+1
69000	2.625	2.50	2.625	0.125	+1
70000	2.50	2.375	2.50	0.125	+1
71000	2.375	2.25	2.375	0.125	+1
72000	2.25	2.125	2.25	0.125	+1
73000	2.125	2.00	2.125	0.125	+1
74000	2.00	1.875	2.00	0.125	+1
75000	1.875	1.75	1.875	0.125	+1
76000	1.75	1.625	1.75	0.125	+1
77000	1.625	1.50	1.625	0.125	+1
78000	1.50	1.375	1.50	0.125	+1
79000	1.375	1.25	1.375	0.125	+1
80000	1.25	1.125	1.25	0.125	+1
81000	1.125	1.00	1.125	0.125	+1
82000	1.00	0.875	1.00	0.125	+1
83000	0.875	0.75	0.875	0.125	+1
84000	0.75	0.625	0.75	0.125	+1
85000	0.625	0.50	0.625	0.125	+1
86000	0.50	0.375	0.50	0.125	+1
87000	0.375	0.25	0.375	0.125	+1
88000	0.25	0.125	0.25	0.125	+1
89000	0.125	0.00	0.125	0.125	+1
90000	0.00	0.00	0.00	0.00	0

Sales In	High	Low	Close	Chg	Net
1000	11.25	11.125	11.25	0.125	+1
2000	11.125	11.00	11.125	0.125	+1
3000	11.00	10.875	11.00	0.125	+1
4000	10.875	10.75	10.875	0.125	+1
5000	10.75	10.625	10.75	0.125	+1
6000	10.625	10.50	10.625	0.125	+1
7000	10.50	10.375	10.50	0.125	+1
8000	10.375	10.25	10.375	0.125	+1
9000	10.25	10.125	10.25	0.125	+1
10000	10.125	10.00	10.125	0.125	+1
11000	10.00	9.875	10.00	0.125	+1
12000	9.875	9.75	9.875	0.125	+1
13000	9.75	9.625	9.75	0.125	+1
14000	9.625	9.50	9.625	0.125	+1
15000	9.50	9.375	9.50	0.125	+1
16000	9.375	9.25	9.375	0.125	+1
17000	9.25	9.125	9.25	0.125	+1
18000	9.125	9.00	9.125	0.125	+1
19000	9.00	8.875	9.00	0.125	+1
20000	8.875	8.75	8.875	0.125	+1
21000	8.75	8.625	8.75	0.125	+1
22000	8.625	8.50	8.625	0.125	+1
23000	8.50	8.375	8.50	0.125	+1
24000	8.375	8.25	8.375	0.125	+1
25000	8.25	8.125	8.25	0.125	+1
26000	8.125	8.00	8.125	0.125	+1
27000	8.00	7.875	8.00	0.125	+1
28000	7.875	7.75	7.875	0.125	+1
29000	7.75	7.625	7.75	0.125	+1
30000	7.625	7.50	7.625	0.125	+1
31000	7.50	7.375	7.50	0.125	+1
32000	7.375	7.25	7.375	0.125	+1
33000	7.25	7.125	7.25	0.125	+1
34000	7.125	7.00	7.125	0.125	+1
35000	7.00	6.875	7.00	0.125	+1
36000	6.875	6.75	6.875	0.125	+1
37000	6.75	6.625	6.75	0.125	+1
38000	6.625	6.50	6.625	0.125	+1
39000	6.50	6.375	6.50	0.125	+1
40000	6.375	6.25	6.375	0.125	+1
41000	6.25	6.125	6.25	0.125	+1
42000	6.125	6.00	6.125	0.125	+1
43000	6.00	5.875	6.00	0.125	+1
44000	5.875	5.75	5.875	0.125	+1
45000	5.75	5.625	5.75	0.125	+1
46000	5.625	5.50	5.625	0.125	+1
47000	5.50	5.375	5.50	0.125	+1
48000	5.375	5.25	5.375	0.125	+1
49000	5.25	5.125	5.25	0.125	+1
50000	5.125	5.00	5.125	0.125	+1
51000	5.00	4.875	5.00	0.125	+1
52000	4.875	4.75	4.875	0.125	+1
53000	4.75	4.625	4.75	0.125	+1
54000	4.625	4.50	4.625	0.125	+1
55000	4.50	4.375	4.50	0.125	+1
56000	4.375	4.25	4.375	0.125	+1
57000	4.25	4.125	4.25	0.125	+1
58000	4.125	4.00	4.125	0.125	+1
59000	4.00	3.875	4.00	0.125	+1
60000	3.875	3.75	3.875	0.125	+1
61000	3.75	3.625	3.75	0.125	+1
62000	3.625	3.50	3.625	0.125	+1
63000	3.50	3.375	3.50	0.125	+1
64000	3.375	3.25	3.375	0.125	+1
65000	3.25	3.125	3.25	0.125	+1
66000	3.125	3.00	3.125	0.125	+1
67000	3.00	2.875	3.00	0.125	+1
68000	2.875	2.75	2.875	0.125	+1
69000	2.75	2.625	2.75	0.125	+1
70000	2.625	2.50	2.625	0.125	+1
71000	2.50	2.375	2.50	0.125	+1
72000	2.375	2.25	2.375	0.125	+1
73000	2.25	2.125	2.25	0.125	+1
74000	2.125	2.00	2.125	0.125	+1
75000	2.00	1.875	2.00	0.125	+1
76000	1.875	1.75	1.875	0.125	+1
77000	1.75	1.625	1.75	0.125	+1
78000	1.625	1.50	1.625	0.125	+1
79000	1.50	1.375	1.50	0.125	+1
80000	1.375	1.25	1.375	0.125	+1
81000	1.25	1.125	1.25	0.125	+1
82000	1.125	1.00	1.125	0.125	+1
83000	1.00	0.875	1.00	0.125	+1
84000	0.875	0.75	0.875	0.125	+1
85000	0.75	0.625	0.75	0.125	+1
86000	0.625	0.50	0.625	0.125	+1
87000	0.50				

July 1988

WORLD STOCKS IN REVIEW / Via Agence France-Presse

Amsterdam

Prices finished the week slightly higher after moving up to a record of 259.2 on the ANP-CBS...

during the week after drawing strength from the U.S. trade figures but slipping on fears of inflation.

Assembly but rather to fears of higher interest rates. The main conversation topic on the Bourse during the week was the unprecedented scandal at the Society of French Stock Exchanges...

The market was closed Saturday. The Nikkei rose every day, but the composite index had a 2.80 yen loss on Thursday, when trading was mixed.

(Continued from first finance page) 1986, Houston is the most economically buoyant city in Texas.

Small manufacturing companies — mainly those dealing with oil field services, petrochemicals and shipping — are fattening their payrolls to levels unseen in years.

This strengthening in the economy has led to higher housing prices, increases in apartment and hotel occupancy rates and a rise in help-wanted advertising.

On the Memorial Day holiday weekend in June, 75,000 people flocked to the formal opening of Sea World in San Antonio, a symbol of new tourism — and jobs — in the river city.

Milan

Stock prices scored modest gains, with the Comiti index rising to 488.29 from 483.14 a week earlier.

Interest concentrated on Fiat shares, which rose by 1.60 percent on the week, and especially on the Ferruzzi Montedison Group, with Montedison rising by 7.05 percent.

The bullish sentiment saw new records for the year set for daily volume and the Straits Times Industrial Index, which finished at 1,068.20 points Friday, a high for 1988 and 21.77 points above its level a week earlier.

One said investment of summer bonuses, to be paid to workers in June and early July, was expected to fuel a summer rally pushing the Nikkei toward the 30,000-yen level.

After losing 142,000 jobs in the 14 months ending in January 1987, Houston is now adding about 4,000 jobs a month. That is a trickle compared with the more than 17,000 jobs it was adding during the oil boom in the early 1980s.

Group, started advertising for borrowers seeking \$1 million or less in short-term financing. He figured that small businesses were starved for bank loans.

That was an important factor contributing to Dallas's declining unemployment rate, which was 5.3 percent in April, the second lowest rate in two years.

The city, home of the Alamo and an hour south of the popular hill country of central Texas, drew 10.5 million tourists last year, up from 8.5 million in 1980.

Frankfurt

Stocks posted moderate gains, with the Commerzbank index rising 10.5 points to 1,428.2 points on Friday, the last day of trading, as the market was closed for a holiday on Friday.

Volume rose to an average of 42 million shares a day from 32 million shares the week before.

Volume hit a 1988 record 70.01 million units Wednesday, and the Straits Times Index climbed 21.15 points Thursday, the largest daily gain in five months.

Market participants expressed satisfaction that the Swiss market had not followed a downward trend on Wall Street on Thursday, and they said a good Zurich performance on Friday was a promising sign for the near future.

Houston believes its future growth will come from the space, biomedical and petrochemical industries and agriculture.

Dallas lost 39,000 jobs in the 12 months ending in June 1987, with half those losses coming from construction.

The building boom produced 49 million square feet of vacant office space, which crippled many of the area's biggest financial institutions by the turn of the century, up from 7 percent last year.

High technology is also a plus. Harden Wiedemann, president of the North Texas Commission, estimated that high-technology manufacturing would make up 16 percent of the area's industrial base by the turn of the century, up from 7 percent last year.

Paris

Fears of rising interest rates hit Paris stock prices this past week, sending the CAC index down to 343.2 from 350.4 a week earlier.

Analysts said that while there was still some worry because of domestic economic policy problems, the market appears relatively optimistic.

The composite index of all common stocks listed on the market's first section advanced 19.41 points to end the week at 2,219.33 Friday.

Chemicals were slightly higher. Ciba-Geigy bear stock rose 65 to 3,290.

Steady oil prices have prodded capital spending, which spurred or-

Chemicals were slightly higher. Ciba-Geigy bear stock rose 65 to 3,290.

Steady oil prices have prodded capital spending, which spurred or-

Steady oil prices have prodded capital spending, which spurred or-

Hong Kong

The Hang Seng Index rose more than 70 points to a post-collapse high in a week of buoyant trading.

The composite index of all common stocks listed on the market's first section advanced 19.41 points to end the week at 2,219.33 Friday.

Chemicals were slightly higher. Ciba-Geigy bear stock rose 65 to 3,290.

Steady oil prices have prodded capital spending, which spurred or-

Steady oil prices have prodded capital spending, which spurred or-

Steady oil prices have prodded capital spending, which spurred or-

Steady oil prices have prodded capital spending, which spurred or-

Steady oil prices have prodded capital spending, which spurred or-

London

Stock prices showed little change during the week after drawing strength from the U.S. trade figures but slipping on fears of inflation.

The composite index of all common stocks listed on the market's first section advanced 19.41 points to end the week at 2,219.33 Friday.

Chemicals were slightly higher. Ciba-Geigy bear stock rose 65 to 3,290.

Steady oil prices have prodded capital spending, which spurred or-

Steady oil prices have prodded capital spending, which spurred or-

Steady oil prices have prodded capital spending, which spurred or-

Steady oil prices have prodded capital spending, which spurred or-

Steady oil prices have prodded capital spending, which spurred or-

INTERNATIONAL POSITIONS

You will find below a listing of job positions published last Thursday under the rubric International Positions.

Table with 3 columns: TITLE, SALARY, EMPLOYER. Includes positions like RESEARCHER, COMMITTEE & DOCUMENTS ADMINISTRATOR, and MANAGING DIRECTOR.

If you haven't seen last week's INTERNATIONAL POSITIONS rubric, please ask for a free copy: Max Ferrero, INTERNATIONAL HERALD TRIBUNE, 92521 Neuilly Cedex, France. Tel: (71) 46.37.93.51. Telex: 613395

Advertisement for Rockwell International featuring a bottle of wine and the text 'For special occasions. Like today.'

Large advertisement for 'Your Oxford Summit' featuring a castle illustration and text about a business and academic conference.

Advertisement for Rockwell International featuring a logo, text 'where science gets down to business', and a list of sectors.

Treasury Bonds

Table with columns: Maturity, Bid, Ask, Yield, and Price. Lists various Treasury bond maturities and their market data.

U.S. Consumer Rates

Table with columns: Rate Name and Rate. Lists various consumer rates such as Bank Money Market Accounts and Home Mortgages.

# MONDAY SPORTS

## Test of So-So Teams

By Ken Denlinger  
*Washington Post Service*  
INGLEWOOD, California — By Sunday night, something monumental in professional basketball would have taken place — either the Los Angeles Lakers moving closer to becoming the first repeat champions in 19 years or the Detroit Pistons winning the National Basketball Association title for the first time ever.

Too bad neither team is especially good.

That's speaking historically, of course, for nobody who endures 82 regular-season games and then throws a victorious fist aloft after nearly two months of play is lousy. Whichever team wins will be a worthy and deserving champion.

Still, near-unique moments such as these spawn tough questions. Such as: In the sweep of pro basketball majesty, where will these Lakers and Pistons rank? Not particularly high.

## Lakers Tie Series

Compiled by Our Staff From Dispatches  
INGLEWOOD, California — The Los Angeles Lakers beat the Detroit Pistons, 103-102, Sunday on Kareem Abdul-Jabbar's two free throws with 14 seconds left, forcing the National Basketball Association's championship series to a seventh and deciding game that will be played here Tuesday night.

If the Lakers prevail, their problem will be comparisons with themselves, past and present. Five titles in the 1980s, and counting, is Boston — awesome. The only other non-Celtic team with any sort of decade dominance was not the Magic Johnson Lakers but the George Mikan Lakers, in the '50s, when they were in Minneapolis.

Until March 10, this gang of Johnson's was as fine as anyone had ever seen. He and James Worthy and Kareem Abdul-Jabbar had combined for two titles already and were 49-10 at the time. Then Johnson re-injured his right groin muscle and the Lakers have been struggling since. Without him for 19 games they were 9-10; with him, they are 10-9 in the playoffs since sweeping San Antonio.

They still have not lost this season when their jerseys were pinned flat against the backboard.

A Los Angeles survival would be accomplished by no better than the

third- or fourth-best Laker team of the '80s, but with such age and lack of depth, folks here have come to expect a basketball Oscar each year.

Johnson led the Lakers to their first championship of the '80s, with a 42-point, 15-rebound, 7-assist performance as the center replacement for Abdul-Jabbar against Philadelphia. Every team since has been molded around Johnson. He has made jump shooters like Byron Scott and swift rebounders like A.C. Green lots better than they would be elsewhere.

So far in these playoffs, the Lakers have created a burden too heavy even for Johnson. A 41-year-old scoring 11 more points than any of his teammates, as Abdul-Jabbar did in Game 5, is an accurate barometer of doom.

The Pistons? No one is quite sure yet what to make of them. More than anything else, they are a team of the '60s one victory shy of winning a title in the late '80s.

What's special about them? Who, years from now, will be recalled with great affection? Like the Lakers, the Pistons are competing against ghosts — the 1980s Celtics.

Part of the reason for the Laker-Celtic matchups the last four years being so thrilling was that at least one phase of basketball seemed to be taken to a new level. Larry Bird, Kevin McHale and the vastly underappreciated Robert Parish was the best front court ever in the NBA.

With Johnson, who redefined the point-guard position, the Lakers were the ultimate in speed and grace. They even had enough depth to play trench-ball against the Celtics in the 1985 finals.

You look at the Pistons and see a 6-foot-5 (1.95-meter) player, Adrian Dantley, comfortable close to the basket and a near-7-footer, Bill Laimbeer, getting most of his points on long-distance shots.

Isiah Thomas is — fast, a fine shooter and beautiful passer. A former Piston, Dave Bing, was as good; Tiny Archibald, at times, was better. Dantley is the pivotal Piston, and a true throwback — front-court players in the 6-5 range have been extinct for some time, haven't they? If the NBA kept hockey-like statistics, Dantley would have lots more assists, because the second pass after a Laker double-team produces the Piston basket.

So Dantley is quite a lot like his team and the one they are trying, with bump-and-grind success, to unseat. Good: appealing. But likely, long-term, to be relegated to the shadows by even more brilliance.

## Senna Wins In Detroit; Prost Is 2d

The Associated Press  
DETROIT — The winning beat continued for Ayrton Senna and the McLaren-Honda team as the Brazilian overwhelmed teammate Alain Prost and the rest of the field in Sunday's Detroit Grand Prix Formula One race. Senna drove to his third straight victory on the dicey downtown circuit, as well as his third triumph of 1988.

Coming off an easy victory in the Canadian Grand Prix a week earlier, Senna, 28, easily outdistanced Frenchman Prost, the two-time world champion who has won this season's other three races. It was the fourth time this year that the McLaren tandem has finished one-two.

Driving conservatively in the final stages of the 63-lap, 157.44-mile (253.45-kilometer) event, Senna beat Prost to the finish line by 38.713 seconds. Senna had led by 60.368 seconds with six laps to go. Prost still leads Senna in the season point standings, 45-33.

Third place Sunday went to Thierry Boutsen of Belgium, whose Benetton-Ford finished more than one lap behind. Andrea de Cesaris of Italy, in a Rial-Ford, was fourth.

Only nine of the 26 starters were running at the end of the attrition-filled race. The asphalt track was particularly slippery with temperatures in the mid-50s centigrade (high 80s Fahrenheit), and tire wear was a problem because of concrete patches in the racing surface.

## Soviets, Dutch Gain Semis

Compiled by Our Staff From Dispatches  
BONN — The Soviet Union and the Netherlands advanced to the semifinals of the European soccer championships with triumphs Saturday, as rioting marred the tournament for a sixth straight day.

In Frankfurt, the Soviets defeated England, 3-1, and the Netherlands edged Ireland, 1-0, with a late goal in Gelsenkirchen. West Germany, which beat Spain, 2-0, Friday in Munich to reach the last four, will play the Netherlands in Hamburg on Tuesday. In the other semi, the Soviet Union will face Italy in Stuttgart on Wednesday; Italy went through with a 2-0 victory over Denmark Friday in Cologne (see Scoreboard).

England's exit came as a relief to West Germans, who endured six



Vagis Chidiyatulin, after his collision with England's Mark Hateley.



With the Dutch minutes away from elimination, Wim Kieft headed the winner past goalie Paddy Bonner.

home Glenn Hoddle's free kick to tie the score in the 12th minute. But Oleg Protasov hit a post and missed two other chances in the opening 12 minutes and came close twice more in the second half.

The winners' defense dealt easily with an impotent attack from an England team that had led qualifying competition with 19 goals.

"We got off to the most miserable of starts," said England's manager, Bobby Robson, "which obviously made it very edgy. We lost confidence and our passing went. We got ourselves into awful trouble."

Robson blamed poor defensive play for all three Soviet goals and said that had widened the margin of defeat. "All the damage was done in the first half. In the second half, we were always in the game and our passing picked up," Robson added.

He said that England might have given a far better account of itself in the tournament if it had ever taken the lead. "If we had ever gone in front, it would have made such a difference," he said.

Although spirits in the dressing room were low, he said he would not be making wholesale changes for the qualifying tournament for the 1990 World Cup finals. "I can't throw away what's good," he said. "I have to be careful. We have to play well and win matches, and I can only experiment gradually. I mustn't overexperiment, but if I have to build I'll build. I won't panic."

The Soviets' only problems were injuries to Igor Belanov and Vagis Chidiyatulin. Belanov, the 1986 European player of the year, limped off a minute before halftime, and Chidiyatulin left the field bloodied after banging heads with Mark Hateley just before the final whistle.

The Netherlands, which had to win to advance, was only eight minutes away from elimination when substitute Wim Kieft headed the

winner under rather favorable circumstances. "Their goal was a fortunate one," said Ireland's manager, Jack Charlton. "Svenescu said the linesman put his flag up offside and then put it down."

"But when your players are for 90 minutes in that heat, you must be proud of them," Charlton groused on the field reached 30 degrees centigrade (85 Fahrenheit).

Coach Rinus Michels took gamble in the second half by going in two extra strikers, Jos Bosman and Kieft. The move paid off when the PSV Eindhoven striker headed a curving ball beyond reach of Irish goalkeeper Paddy Bonner. "We had to win and Kieft was ticking," Michels said. "But we remained patient."

Led by such world stars as Gullit and Marco van Basten, the Netherlands had besieged the goal with shots and headed throughout the match, but had also threatened — Paul McGin heading against a post in the 11th minute.

Michels considered that his critical. "If McGrath had got with his header, it would have been extremely difficult for us to win said. "The Irish have a very strong defense. The game turned on decisive moments — McGrath's header and our goal." (UPI)

Referees Named  
The European Football Union announced Sunday that Michel Vautrot of France will referee Sunday's soccer final in Maastricht. Vautrot is a member of the United Press International staff in Hamburg.

Romanian Ion Igna will referee Tuesday's semifinal between Germany and the Netherlands in Hamburg; Alexis Pomet of Belgium will referee the other semifinal between Italy and the Soviet Union, Wednesday in Stuttgart.

## French Rugby Squad Beats Argentina, 18-15

Agence France-Press  
BUENOS AIRES — France beat Argentina in rugby Saturday, 18-15, with a try in the second half by Philippe Dintaras converted by Philippe Berot, who had earlier kicked four penalty goals.

Argentina's points, all in the first half, came from a try by Juan José Angelillo, the conversion and two penalty goals by Daniel Bessit and a drop by Fabian Turnes. The second and final test is scheduled for next Saturday.

**ACROSS**

- Strong scents
- Actress
- Gardner
- Complainer
- Fall flower
- Unless, in law
- Tramp
- Simple piano tune
- Margarine
- Kind of sphere
- Yale name
- Jacket parts
- Harsh sounds
- Kindergarten awards
- Put away for safekeeping
- Wash—comics hero
- Put two and two together
- High nest
- City in Pa.
- Kind of estate
- Kind of rocket
- Harvard rival
- Theater org.
- Supeties
- Composer
- Rorem
- Post-office item
- One of one's own medicine
- Deep voices
- Merman or Waters
- "A well boiled"—Spooners
- Greek letters
- Joe de vivre
- G.O.P. candidate
- Tennis swing
- Former Congolese prime minister
- Race-track figure
- What rookies must learn
- Rung
- Equal: Prefix
- Immobile

**WEATHER**

EUROPE	ASIA	NORTH AMERICA
Algeria C 65 F 85	Bangkok C 85 F 105	Anchorage C 35 F 55
Amsterdam C 60 F 80	Beijing C 85 F 105	Atlanta C 65 F 85
Amsterdam C 60 F 80	Hong Kong C 85 F 105	Boston C 65 F 85
Barcelona C 65 F 85	New Delhi C 85 F 105	Chicago C 65 F 85
Berlin C 65 F 85	Seoul C 85 F 105	Denver C 65 F 85
Bombay C 85 F 105	Shanghai C 85 F 105	Detroit C 65 F 85
Brussels C 65 F 85	Singapore C 85 F 105	Houston C 65 F 85
Buenos Aires C 65 F 85	Taipei C 85 F 105	Los Angeles C 65 F 85
Calcutta C 85 F 105	Tokyo C 85 F 105	Madison C 65 F 85
Cairo C 65 F 85		Manila C 85 F 105
Canton C 85 F 105		Mexico City C 65 F 85
Cebu C 85 F 105		Minneapolis C 65 F 85
Columbo C 85 F 105		Montreal C 65 F 85
Dallas C 65 F 85		New York C 65 F 85
Dhaka C 85 F 105		San Francisco C 65 F 85
Dublin C 65 F 85		Seattle C 65 F 85
Geneva C 65 F 85		Tampa C 65 F 85
Hankow C 85 F 105		Washington C 65 F 85
Hong Kong C 85 F 105		Yonkers C 65 F 85
Kobe C 85 F 105		
London C 65 F 85		
Los Angeles C 65 F 85		
Lyons C 65 F 85		
Madrid C 65 F 85		
Manchester C 65 F 85		
Moscow C 65 F 85		
Mumbai C 85 F 105		
Nairobi C 85 F 105		
Paris C 65 F 85		
Perth C 65 F 85		
Philadelphia C 65 F 85		
Rangoon C 85 F 105		
Rio de Janeiro C 65 F 85		
Sao Paulo C 65 F 85		
Shanghai C 85 F 105		
Singapore C 85 F 105		
Sydney C 65 F 85		
Taipei C 85 F 105		
Tokyo C 85 F 105		
Winnipeg C 65 F 85		
Zurich C 65 F 85		

© New York Times, edited by Eugene Malachuk.

**PEANUTS**

I CAN'T BELIEVE THAT I ACTUALLY MISS BEING IN SCHOOL...

I KNOW WHAT YOU MEAN, OF COURSE IF WE WERE IN SCHOOL RIGHT NOW YOU'D PROBABLY BE ASLEEP...

© 1988 by Charles M. Schulz. All rights reserved.

**BLONDIE**

IF PUFFY PUFF AT LEAST THERE'S ONE CONSOLATION

MORNING ONLY COMES ONCE A DAY

© 1988 by Charles M. Schulz. All rights reserved.

**BEEBLE BAILEY**

WHAT A MESS! I CAN'T STAND DISORDER!

LINE UP YOU GUYS! OVER THERE, YOU! NOW STRAIGHTEN UP!

THAT'S BETTER!

BOY! LINING UP GREEN BEANS!

© 1988 by Charles M. Schulz. All rights reserved.

**DOONESBURY**

ANNISTY! THE PRESIDENT RECALLED AN ANNISTY FOR ALL THOSE CONVICTED OF BURGLARIES DURING THE '60s! (HE'S A REAL MAN!)

ANNISTY! THAT'S RIGHT.

BUT THAT'S... THAT'S OUT-RAFFISH!

CRUEL! MAYBE NOW.

© 1988 by Charles M. Schulz. All rights reserved.

**DENNIS THE MENACE**

YOU MIGHT AS WELL CLIMB BACK DOWN, YOUNG MAN. I'M NOT CALLING THE FIRE DEPARTMENT.

© 1988 by Charles M. Schulz. All rights reserved.

**JUMBLE**

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

OXPRY

FEYHT

DABAL

SUNGUF

Now arrange the circled letters from the jumbles above to form the surprise answer, as guessed by the above cartoon.

Friday's Jumbles: VALVE FIFTY BECALM DENTAL

Answer: When he lost his key and couldn't get it in, he ran around the house until he was "ALL IN".

**WIZARD of ID**

BLANCH IS VERY DEPRESSED!

WHAT'S WRONG?

SHE ENTERED A COOK-OFF AND LOST TO A HOSPITAL CATERER!

© 1988 by Charles M. Schulz. All rights reserved.

**REX MORGAN**

AFTER HIS DAUGHTER LINDA AND ERIC LEAVE HIS HOSPITAL ROOM, JORN BALLARD CALLS HIS WIFE!

THAT'S RIGHT, SARA! THEY AS MUCH AS TOLD ME MY MIND MY OWN BUSINESS, THAT THEY'VE DECIDED TO PUT OFF THEIR MARRIAGE FOR A YEAR?

AS I SAID THEY'RE ON THEIR WAY OVER TO SEE YOU? I WISH YOU'D KNOCK SOME SENSE INTO LINDA'S HEAD!

© 1988 by Charles M. Schulz. All rights reserved.

**GARFIELD**

TEN?! WHY YOU DON'T LOOK TEN!

YOU LOOK...

YOU LOOK LIKE YOU'RE TRYING TO CONVINCING YOURSELF THAT YOU DON'T LOOK TEN

© 1988 by Charles M. Schulz. All rights reserved.

**WORD SEARCH**

Find the following words in the grid below:

LONG SCARS AJAX  
TIGOR PASHA LAMB  
PIEAMARKET ABAB  
WEBBERA AIL OTE  
STETS RUSTIC  
CASHED CHIRP  
ATROS CRICKETER  
ALTOP OEN LARA  
NITPICKED ALLEN  
ELLEN ELICITY  
STEREO SAXON  
ARM TUG DANGLES  
YAPS DOUBLEBUGS  
SITE EGRET BRAT  
ONYX DOERS BELLS

**PEANUTS**

I CAN'T BELIEVE THAT I ACTUALLY MISS BEING IN SCHOOL...

I KNOW WHAT YOU MEAN, OF COURSE IF WE WERE IN SCHOOL RIGHT NOW YOU'D PROBABLY BE ASLEEP...

© 1988 by Charles M. Schulz. All rights reserved.

**BLONDIE**

IF PUFFY PUFF AT LEAST THERE'S ONE CONSOLATION

MORNING ONLY COMES ONCE A DAY

© 1988 by Charles M. Schulz. All rights reserved.

**BEEBLE BAILEY**

WHAT A MESS! I CAN'T STAND DISORDER!

LINE UP YOU GUYS! OVER THERE, YOU! NOW STRAIGHTEN UP!

THAT'S BETTER!

BOY! LINING UP GREEN BEANS!

© 1988 by Charles M. Schulz. All rights reserved.

**DOONESBURY**

ANNISTY! THE PRESIDENT RECALLED AN ANNISTY FOR ALL THOSE CONVICTED OF BURGLARIES DURING THE '60s! (HE'S A REAL MAN!)

ANNISTY! THAT'S RIGHT.

BUT THAT'S... THAT'S OUT-RAFFISH!

CRUEL! MAYBE NOW.

© 1988 by Charles M. Schulz. All rights reserved.

**DENNIS THE MENACE**

YOU MIGHT AS WELL CLIMB BACK DOWN, YOUNG MAN. I'M NOT CALLING THE FIRE DEPARTMENT.

© 1988 by Charles M. Schulz. All rights reserved.

**JUMBLE**

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

OXPRY

FEYHT

DABAL

SUNGUF

Now arrange the circled letters from the jumbles above to form the surprise answer, as guessed by the above cartoon.

Friday's Jumbles: VALVE FIFTY BECALM DENTAL

Answer: When he lost his key and couldn't get it in, he ran around the house until he was "ALL IN".

**WIZARD of ID**

BLANCH IS VERY DEPRESSED!

WHAT'S WRONG?

SHE ENTERED A COOK-OFF AND LOST TO A HOSPITAL CATERER!

© 1988 by Charles M. Schulz. All rights reserved.

**REX MORGAN**

AFTER HIS DAUGHTER LINDA AND ERIC LEAVE HIS HOSPITAL ROOM, JORN BALLARD CALLS HIS WIFE!

THAT'S RIGHT, SARA! THEY AS MUCH AS TOLD ME MY MIND MY OWN BUSINESS, THAT THEY'VE DECIDED TO PUT OFF THEIR MARRIAGE FOR A YEAR?

AS I SAID THEY'RE ON THEIR WAY OVER TO SEE YOU? I WISH YOU'D KNOCK SOME SENSE INTO LINDA'S HEAD!

© 1988 by Charles M. Schulz. All rights reserved.

**GARFIELD**

TEN?! WHY YOU DON'T LOOK TEN!

YOU LOOK...

YOU LOOK LIKE YOU'RE TRYING TO CONVINCING YOURSELF THAT YOU DON'T LOOK TEN

© 1988 by Charles M. Schulz. All rights reserved.

Handwritten signature: "Jellyroll" in a stylized font.



# MONDAY SPORTS

## Strange Leads Open by 1

By Gordon S. White Jr.  
New York Times Service

BROOKLINE, Massachusetts — Curtis Strange, whose five victories in the last year have given him the best current record in professional golf, made a move Saturday toward winning one of the sport's major tournaments, the 88th U.S. Open.

Despite a struggle over the last three holes, two of which he bogeyed before a marvelous save of par out of a bunker at 18, the 33-year-old Virginian held on for a one-stroke lead going into Sunday's final round.

Right behind him were Nick Faldo of England, who won the 1987 British Open; Scott Simpson, the defending U.S. Open champion who had led after Friday's second round; and Bob Gilder, a determined man who has remained high in the field for three days.

"I feel good," Strange said. "Anytime you're leading going into the final round you have to feel good. Means you're doing something right."

Among the things he did right on The Country Club's 7,107-yard (6,402-meter) Open course was to shoot three-under-par 32 on the front nine and take over the lead with a birdie on the par-5 ninth.

Strange was on to complete his round in two-under-par 69 for a 54-hole total of 206.

But he had a three-shot lead diminish to only one stroke with a bunkered tee shot at No. 16 and three putts at No. 17.

Gilder, who suffered with a double-bogey 6 on the 15th hole, came in with a 70 for 207, while Faldo shot 68 and Simpson carded 72 to lose the lead he held for a day.

D.A. Weir, who has had a stomach flu this week, and Larry Mize, winner of the 1987 Masters, were another shot back at 208.

"It's hard sometimes when your body is telling you to lay down and here you are in an important golf tournament," Weir said.

Strange, speaking of the final round, said: "We'll all feel a little nervous tomorrow morning. And rightfully so. If we didn't, we wouldn't be human. I'd get tight but that's what it's all about."

Strange, among the pretournament favorites, is seeking his first triumph in one of the four major pro championships: the Masters, the U.S. and the British opens and the PGA Championship. Faldo, one of the leading choices going into this Open, was probably the only remaining foreign player with a realistic chance, since the next closest, Seve Ballesteros of Spain

and Tommy Nakajima of Japan, were tied for 23d with 215 each.

Greg Norman, the 33-year-old Australian rated one of the two or three best golfers in the world, had to withdraw Friday when he sprained his left wrist. He said that he probably would be able to play in the next major championship, the British Open, July 14-17, but that he has been ordered by doctors to wait 10 days before hitting a golf shot again.

Meanwhile, he was to keep his wrist as immobile as possible using a sling and brace.

Norman, who won the 1986 British Open, struck a rock hidden under his ball while making his fourth shot on the ninth hole Friday. "I've had the same injury for a long time and aggravated it again," he said.

A gentle rain that fell Saturday broke the record heat spell that had hung over the first two rounds and made the course a bit easier to play. The deep, soft, dry for the first two rounds that golfers could get out more easily than usual, became wet and far more clinging.

Simpson learned on the fifth hole, taking double bogey when he could not extricate himself from the rough on his first try. That cost him the lead.

Later in the day dark clouds began rolling in and when Strange, about to tie off on No. 12th, saw a big bolt of lightning he turned to two U.S. Golf Association officials nearby and invoked his privilege of refusing to play on.

P.J. Boardman, one of those officials, ordered a suspension of play that lasted for 1 hour, 5 minutes.

Once play resumed, Strange two-putted to par the difficult par-4 hole with the blind second shot over a 50-foot (15-meter) cliff to a tiny green. At the par-5 14th, he made a poor drive left into a bunker but got a birdie when he rolled in an 18-foot putt. He did that just seconds after Gilder had dropped a 27-foot birdie putt to tie Strange for the lead.

Rain began as Gilder took his double bogey 6 on 15, which put Strange again ahead by three.

Faldo got even with Gilder by sinking a birdie on the last hole and Mize birdied 17 to get into that three-way tie for second.

But Strange lost his chance to have a real grip on the title when he blasted free of a bunker on the par-3 16th and needed two putts to get down. His lead was cut by another stroke when he took a two-foot second putt on No. 17.

His approach at No. 18 landed in the bunker fronting the green, so he had to work out of that sand for the third time in three days. He got his par by sinking the one putt for the second straight day.

"I've been in that bunker all three rounds so I know it inside and out," Strange said.

On Friday, Simpson had shot a course-record 66 and tied an Open 36-hole mark of seven under par as he took a one-stroke lead over his friend Mize.

But Sandy Lyle of England, who shared the first-round lead with Gilder and Mike Nicoulet, started strongly, then took three bogeys on the back nine to finish with 71-139. That tied him with Faldo, who shot 67. Nicoulet faded from contention with 73 Friday, then 77 Saturday.

Lyle began the second round as if he would take command, rolling in a 10-foot comeback putt to save par at the second hole. He did even better on No. 3, sinking a 60-foot birdie putt from the front fringe. Birdies at No. 4 and No. 9 got him to six under for the tournament. At the 11th, after he hit his approach shot too far and had to chip back to a green falling away downhill, his ball slid 20 feet by the cup but he holed the putt to save par.

His luck changed when he missed a six-foot par putt on 12, then another at 13. He bogeyed the 18th when he drove into the left rough. And Saturday, he fell further from contention by carding 75.

But Sandy Lyle of England, who shared the first-round lead with Gilder and Mike Nicoulet, started strongly, then took three bogeys on the back nine to finish with 71-139. That tied him with Faldo, who shot 67. Nicoulet faded from contention with 73 Friday, then 77 Saturday.

Lyle began the second round as if he would take command, rolling in a 10-foot comeback putt to save par at the second hole. He did even better on No. 3, sinking a 60-foot birdie putt from the front fringe. Birdies at No. 4 and No. 9 got him to six under for the tournament. At the 11th, after he hit his approach shot too far and had to chip back to a green falling away downhill, his ball slid 20 feet by the cup but he holed the putt to save par.

His luck changed when he missed a six-foot par putt on 12, then another at 13. He bogeyed the 18th when he drove into the left rough. And Saturday, he fell further from contention by carding 75.

But Sandy Lyle of England, who shared the first-round lead with Gilder and Mike Nicoulet, started strongly, then took three bogeys on the back nine to finish with 71-139. That tied him with Faldo, who shot 67. Nicoulet faded from contention with 73 Friday, then 77 Saturday.

Lyle began the second round as if he would take command, rolling in a 10-foot comeback putt to save par at the second hole. He did even better on No. 3, sinking a 60-foot birdie putt from the front fringe. Birdies at No. 4 and No. 9 got him to six under for the tournament. At the 11th, after he hit his approach shot too far and had to chip back to a green falling away downhill, his ball slid 20 feet by the cup but he holed the putt to save par.

His luck changed when he missed a six-foot par putt on 12, then another at 13. He bogeyed the 18th when he drove into the left rough. And Saturday, he fell further from contention by carding 75.

But Sandy Lyle of England, who shared the first-round lead with Gilder and Mike Nicoulet, started strongly, then took three bogeys on the back nine to finish with 71-139. That tied him with Faldo, who shot 67. Nicoulet faded from contention with 73 Friday, then 77 Saturday.

Lyle began the second round as if he would take command, rolling in a 10-foot comeback putt to save par at the second hole. He did even better on No. 3, sinking a 60-foot birdie putt from the front fringe. Birdies at No. 4 and No. 9 got him to six under for the tournament. At the 11th, after he hit his approach shot too far and had to chip back to a green falling away downhill, his ball slid 20 feet by the cup but he holed the putt to save par.

His luck changed when he missed a six-foot par putt on 12, then another at 13. He bogeyed the 18th when he drove into the left rough. And Saturday, he fell further from contention by carding 75.

But Sandy Lyle of England, who shared the first-round lead with Gilder and Mike Nicoulet, started strongly, then took three bogeys on the back nine to finish with 71-139. That tied him with Faldo, who shot 67. Nicoulet faded from contention with 73 Friday, then 77 Saturday.

Lyle began the second round as if he would take command, rolling in a 10-foot comeback putt to save par at the second hole. He did even better on No. 3, sinking a 60-foot birdie putt from the front fringe. Birdies at No. 4 and No. 9 got him to six under for the tournament. At the 11th, after he hit his approach shot too far and had to chip back to a green falling away downhill, his ball slid 20 feet by the cup but he holed the putt to save par.

His luck changed when he missed a six-foot par putt on 12, then another at 13. He bogeyed the 18th when he drove into the left rough. And Saturday, he fell further from contention by carding 75.

But Sandy Lyle of England, who shared the first-round lead with Gilder and Mike Nicoulet, started strongly, then took three bogeys on the back nine to finish with 71-139. That tied him with Faldo, who shot 67. Nicoulet faded from contention with 73 Friday, then 77 Saturday.

Lyle began the second round as if he would take command, rolling in a 10-foot comeback putt to save par at the second hole. He did even better on No. 3, sinking a 60-foot birdie putt from the front fringe. Birdies at No. 4 and No. 9 got him to six under for the tournament. At the 11th, after he hit his approach shot too far and had to chip back to a green falling away downhill, his ball slid 20 feet by the cup but he holed the putt to save par.

His luck changed when he missed a six-foot par putt on 12, then another at 13. He bogeyed the 18th when he drove into the left rough. And Saturday, he fell further from contention by carding 75.

But Sandy Lyle of England, who shared the first-round lead with Gilder and Mike Nicoulet, started strongly, then took three bogeys on the back nine to finish with 71-139. That tied him with Faldo, who shot 67. Nicoulet faded from contention with 73 Friday, then 77 Saturday.

Lyle began the second round as if he would take command, rolling in a 10-foot comeback putt to save par at the second hole. He did even better on No. 3, sinking a 60-foot birdie putt from the front fringe. Birdies at No. 4 and No. 9 got him to six under for the tournament. At the 11th, after he hit his approach shot too far and had to chip back to a green falling away downhill, his ball slid 20 feet by the cup but he holed the putt to save par.

## Indians' Candiotti, Allanson Rout Yanks

The Associated Press  
CLEVELAND — Andy Allanson's first grand slam home run in league play and Tom Candiotti's six-hit Sunday to lead the Cleveland Indians to a 10-1 rout of the New York Yankees, 11-3.

### SUNDAY BASEBALL

Indians 10, Yankees 1. The Indians scored just two runs in each of five innings in their rout of the Yankees. Candiotti made it 6-3 in the fifth on Julio Franco's run-scoring single and a bases-loaded wild pitch by reliever Tim Lincecum. He walked five of the eight batters he faced.

It became 11-3 in the seventh when Stoddard walked Dave Clark four pitches with the bases loaded to force in a run and Allanson's Charles Hudson's second pitch of his fourth homer this year. Time Jags 6, Tigers 4: In Detroit, the Red Sox made it 6-3 in the fifth on Julio Franco's run-scoring single and a bases-loaded wild pitch by reliever Tim Stoddard, who walked five of the eight batters he faced. It became 11-3 in the seventh when Stoddard walked Dave Clark four pitches with the bases loaded to force in a run and Allanson's Charles Hudson's second pitch of his fourth homer this year.

walked two on route to his second shutout this season, which lowered his earned-run average to 1.65, second-best in league.

Pirates 3, Cardinals 2: In Pittsburgh, Bob Walk outpitched former teammate Larry McWilliams and Andy Van Slyke tripled in the go-ahead runs against St. Louis in the eighth inning.

Walk allowed four hits in 8 1/2 innings to win for the fourth time in his last five decisions. He has allowed only one run in his last two starts and only two runs in his last three. McWilliams allowed the three runs and six hits in eight innings. He was cut by the Pirates in April 1987.

Astros 6, Braves 4: In Atlanta, Craig Reynolds, Deany Walling and Terry Publ each hit run-scoring singles in the eighth, off relief ace Bruce Sutter, to rally Houston.



Curse-United Press International



Curse-United Press International

## Maddux Wins No. 12 by 5-Hitting Expos

Compiled by Our Staff From Dispatches

CHICAGO — Greg Maddux, the 22-year-old called "Baby" by Chicago Cubs teammates because of his boyish looks, Saturday became the major league's first 12-game winner of the year with a five-hit, 3-0 victory over the Montreal Expos.

But at this time last year I'd won one game...

Chicago took a 1-0 lead in the second, when Vance Law hit a line-drive single that scored Ryan Sandberg, who had walked and moved to third on a single by Mark Grace. It became 2-0 in the third when Rafael Palmeiro doubled, increasing his league-leading total to 23, went to third on a passed ball and scored on Andre Dawson's double. Dawson's single in the eighth accounted for the final run.

Walt Terrell pitched a three-hitter against Toronto and Pat Sheridan drove in four runs with a homer and double. Terrell struck out two and walked one for his first victory since May 22. The only hits off him were Nelson Lirio's singles in the first and fourth and Jesse Barfield's two-out home run in the eighth.

Astros 14, Braves 7: In Atlanta, Glenn Davis hit his league-leading 17th homer during Houston's nine-run seventh.

Red Sox 5, Orioles 0: In the American League, in Baltimore, Roger Clemens pitched his sixth shutout this year and Dwight Evans drove in two runs for Boston. Clemens raised his road record to 8-0, striking out nine to run his major-league-leading total to 149.

Yankees 6, Indians 3: In Cleveland, Don Mattingly tied the score with a two-run double and Dave Winfield's two-run home run capped a five-run fifth as New York edged a three-game losing streak.

## SCOREBOARD

### BASEBALL

#### Today's and Saturday's Major League Line Scores

Team	Score	Team	Score
Yankees	6	Indians	10
Red Sox	5	Orioles	0
Braves	4	Astros	14
Pirates	3	Cardinals	2
Expos	0	Maddux	12
Yankees	3	Indians	10
Red Sox	5	Orioles	0
Braves	4	Astros	14
Pirates	3	Cardinals	2
Expos	0	Maddux	12

## GOLF

### U.S. Open

(Through Three Rounds)

Player	Score
Curse-United Press International	76-67-69-206
Nick Faldo	72-68-67-207
Scott Simpson	68-67-72-207
D.A. Weir	71-68-68-207
Larry Mize	69-72-67-208
Tom Simpson	72-72-64-208
Tommy Nickles	72-72-64-208
Steve Pate	71-72-65-208
John Cook	71-72-65-208
Andy Bean	71-72-65-208
Tommy Nickles	71-72-65-208
Steve Pate	71-72-65-208
John Cook	71-72-65-208
Andy Bean	71-72-65-208

## AUTO RACING

### DETROIT GRAND PRIX

1. Avron Sarno, Brazil, McLaren Honda, 1:54:26.055

Driver	Team	Time
Avron Sarno	Brazil, McLaren Honda	1:54:26.055
Alain Prost	France, McLaren Honda	1:54:26.055
Thierry Boutsias	Belgium, Benetton Ford	1:54:26.055
Alex Zanardi	Italy, Benetton Ford	1:54:26.055
Jonathan Palmer	Britain, Tyrrell Ford	1:54:26.055
Pierluigi Martini	Italy, Minardi Ford	1:54:26.055

## TENNIS

### WIMBLEDON

By John Feinstein  
Washington Post Service

LONDON — There's a musical playing here called "Winnie," about Churchill's first two years as Prime Minister, at the outset of World War II. Throughout, Churchill uses the word "wowing," which he is really pleased or excited. Churchill rolls his cigar in his mouth and says, "Wow!"

## Wimbledon, as Usual, All Set to Wow 'Em

By John Feinstein  
Washington Post Service

It was Wimbledon three years ago that produced the miracle of Boris Becker, the 17-year-old prodigy coming from nowhere to become the youngest champion in 92 years of tennis here. It was Wimbledon that in the last two years has produced Becker's dramatic defense of his title. Pat Cash's superb victory of a year ago and Navratilova's continuing drive for a record women's singles championship.

## Judge Rules Impasse In NFL Labor Talks

By Thomas George  
New York Times Service

MINNEAPOLIS — A federal judge ruled Friday that the National Football League's management and its players are at an impasse in labor negotiations. The decision left open the possibility of unrestricted free agency for more than 300 players whose contracts expired in February.

## TRANSITION

### BASEBALL

CLEVELAND — Pleased Rick Yetti, pitcher, on the 15-day contract, returned to the Cleveland Indians. Steve Lincecum, pitcher, from Colorado to the Pacific Coast League. Called up Barbara Gorbunov, outfielder, and called him to Aniston of the Midwest League.

## SOCCER

### European Championship

GROUP ONE  
W L T GF GA Pts  
West Germany 2 0 1 5 1 5  
Denmark 1 0 3 5 1 3  
Sweden 0 3 0 2 7 0  
June 16: West Germany 1, Italy 1  
June 17: West Germany 2, Denmark 0  
June 18: Sweden 1, Denmark 0

### GROUP TWO

W L T GF GA Pts  
Soviet Union 2 0 1 5 2 5  
Netherlands 2 0 1 5 2 5  
Ireland 1 1 2 2 3 3  
England 0 3 0 2 7 0  
June 12: Ireland 1, England 0  
June 13: Netherlands 2, England 1  
June 14: Soviet Union 2, England 1  
June 15: Ireland 1, Ireland 1

### SEMI-FINALS

June 21 (at Maastricht): West Germany vs. Netherlands  
June 22 (at Rotterdam): Italy vs. Soviet Union

### CHAMPIONSHIP

June 25 (at Munich)

## Major League Standings

League	Team	W	L	Pct.	GB
American Division	Yankees	40	24	.625	0
	Red Sox	38	26	.594	2
	Indians	38	26	.594	2
	Braves	36	28	.563	4
	Pirates	32	32	.500	8
	Expos	28	36	.438	12
National League	Indians	40	24	.625	0
	Braves	38	26	.594	2
	Pirates	36	28	.563	4
	Expos	32	32	.500	8
	Yankees	28	36	.438	12
	Red Sox	28	36	.438	12

# The Big Chill, or Cooling It in the Acropolis

**NICE** — In unseasonable but appropriately chilly weather, 185 delegates from over a dozen countries have gathered in Nice for the sixth World Frozen Food Congress, a biennial event at which a lot of information can be gleaned. To wit:

- The fish finger market is stagnating in France, and so is raw pastry dough.
- Frozen food sales seem to correlate with sales of microwave ovens.

**MARY BLUME**  
ovens. In the United States, 85 percent of homes have microwaves and each American eats 90 pounds (40 kilograms) of frozen foods per annum. In Britain, 35 percent of homes have microwaves and consumption of frozen foods is 20 kilos. The Netherlands has a lower microwave count and a frozen food consumption of only 14 kilos.

- There is no satisfactory way to freeze fresh lettuce.
- The French housewife spends 3 hours a day in the kitchen, the English housewife 1½ hours, the American 30 minutes.
- In Spain, frozen food consumption rose by 800 percent from 1970 to '80, but the 1980 total was only 1.6 kilos a person.
- Sea food products alone, 1,100 new items were introduced to the U.S. retail market during the 1983-87 period.
- Roger Vergé, the celebrated chef of Mougins, outside Cannes, uses frozen fruit purées, frozen ome mushrooms out of season, and, on occasion, frozen asparagus tips.

If a seismic upheaval had not created the Strait of Gibraltar and a steady flow of water from the Atlantic, the Mediterranean would be but a small salt lake.

The last item comes from Alan Davidson, the respected food historian who is not a delegate but who has been invited to talk on his specialty, fish. Since the theme of the congress is the Mediterranean, the cookery writer Claudia Roden has also been asked to speak on the cuisine of the 16 countries that border the sea.

Frozen foods having passed from the convenience to the gourmet level, a French aide explains that Roden and Davidson have



Alan Davidson, wearing his head like a 1920s flapper's headache band, suggested the audience think of freezing the underutilized sea slug.

"They are absolutely delicious!" Mr. Davidson exclaimed. "How could they have been overlooked for so many years?" Mediterranean giant sea slugs, he says, are less ugly than the Oriental. "In a way they're rather attractive, like knobly whitish cucumbers."

Mr. Davidson was a diplomat until he encountered the giant Mekong catfish while serving as Britain's ambassador to Laos in 1975 and resigned from the diplomatic service to become a food scholar, publisher and founder of the Oxford Symposium, which may not have the Whirling Dervishes that are a feature of the renowned Konya food symposium in Turkey, but which offers its own thrills.

"Last year there was a terrific fight between an Australian and a Canadian about medieval thickens," Mr. Davidson said. This year's symposium, later this month, will have as its theme "The Cooking Pot" with emphasis on authentic, although copper and iron will, after much discussion, also be included.

Mr. Davidson's talk to the frozen food folk, illustrated by fresh fish from the Nice market, had as its point that nearly all the typically "Mediterranean" fish, including even the rascasse, can be found in other waters and therefore authentic Mediterranean dishes can be prepared, and frozen everywhere. But recipes should be authentic, unlike the American recipe for bouillabaisse that says take care of tomato soup and a can of pea soup, heat in a double boiler and serve.

"I had no fish at all in it," Mr. Davidson said. After he wound up, the audience was invited to taste portions of Mediterranean dishes that had been prepared according to Claudia Roden's recipes: couscous, lamb stew with dates and apricots, Greek stiftado, pilaf with spiced meatballs and pistachios and pine nuts, bourride, risotto, paella, stuffed onions.

been invited to give frozen food its *nirve de nobresse*. Also, says Graham Kemp, the congress director, "the frozen food industry has got to grow up. It has been too locked into basic commodities and has forgotten that the public is interested in food and cuisine."

The public may be interested, but food and cuisine are far from the minds of delegates who seem to be dark-suited marketing men with charts and technologists talking about aseptic packaging and cryogenic freezing, which is costly but particularly effective on strawberries and fish.

Food is referred to as product, particles or blocks and there is nothing to see or taste: no frozen mussels such as Japanese Style Bread Crumbs, Polish squid, these scampi, imitation crab from Seattle, British Chili Beef Grillades, Thai oysters or Israeli sausage rolls. There are no exciting machines such as the extruder of millefeuille pastry (the process ends under a pneumatic guillotine). The congress is meeting in

Nice's convention hall, immodestly called the Acropolis, in the Hermes room (the Athena room has been taken by a real estate group). Only a few hundred feet away is old Nice and the Cours Saleya, with piles of gleaming Mediterranean fruits and vegetables and the smells of spices, fresh peonies and peaches.

In the convention room the air is climate controlled and people come and go with flow charts and old bites notes such as the public's odd idea that frozen foods are not natural. "Natural! Arsenic and strychnine are also natural," says Mark Stevens of Haagen-Dazs ice cream.

Haagen-Dazs, which is expanding to the Orient and Europe, was founded in 1900 by a marketing whiz who gave his product what he hoped was a Danish name although it was made in the Bronx. Stevens says their Macadamia Brittle was just chosen ice cream of the year and that the other big news is that Haagen-Dazs is going into soft ice cream. Soft ice cream has to be made

fresh each day, which would seem to remove it from the frozen category. In fact, the big trend in frozen foods may be toward the fresh with the startling development of a rival, or a branch, depending on the viewpoint: chilled foods.

Chilled foods are packed in transparent plastic, are displayed in horizontal chests, and have a limited shelf life. "Now buyers think fresh is best and chilled is fresher than frozen, I wish I could," says Graham Kemp. "Chilled food is just putting the old things in different packages."

Some frozen food people talk of the high bacteria count in chilled foods, others have joined the potential enemy. In the United States chilled and deli foods are on the rise because they take no preparation at all, says Gail Lange of Com Agr, a huge agribusiness conglomerate. "People find microwavable foods take too much time. It's getting ridiculous," she says. At the other end of the spectrum is Greece, where frozen foods got off to a bad start be-

# Playing Inside Baseball

By William Safire

**WASHINGTON** — It is one of those underappreciated, "inside baseball" moments that rally politics as the Ultimate Game. . . . So begins a Michael Kramer column in U.S. News & World Report.

"Jack Germond produces a self-described 'inside baseball' syndicated political column," writes William Prochman in The Washington Post, "with his partner, Jules Wilcover."

A couple of years ago, Tom Oliphant of The Boston Globe said that the columnist Rowland Evans and Robert Novak had been "marginalized on the inside baseball of the Democratic Party."

"The people in my state," said Richard Wayne, chairman of the Michigan Democratic Party, "are interested in jobs, the economy and education. The rest is inside baseball."

The phrase has been used outside baseball for at least a decade. Senator Edward M. Kennedy, wrote Myra MacPherson in The Washington Post in 1978, "chains endlessly boring speeches . . . inside baseball jokes that no visitor would understand but laugh at anyway."

The meaning of the phrase can best be ascertained from a brief study of its origin. In "Fungoes, Floppers and Fishes," the 1987 baseball dictionary, Patrick Erpman defines the term as "the style of play in which the offensive team tries to score one run at a time through such tactics as the bunt, the steal, the hit-and-run, the well-placed hit and the squeeze."

The Baltimore Orioles of the 1930s perfected this type of play; the baseball was then "dead." In contrast to the livelier ball of today and usually traveled short distances even when a batter connected squarely. Wee Willie ("hit 'em where they ain't") Keeler of Baltimore was an exemplar of inside baseball, now frequently called *scientific baseball*; by the 1920s, along came Babe Ruth, then the livelier ball and a more mid-air, sim-far-the-fences game.

But the earlier style of play is still with us. Whitley Herzog, manager of the Kansas City Royals, who liked to put on the double steal or hit-and-run, was quoted in 1978 as saying, "If you understand 'inside baseball, you gotta love us."

According to Red Barber, the

former voice of the Brooklyn Dodgers, who now broadcasts from Tallahassee, Florida, the phrase was a familiar one to baseball fans. "I've heard 'inside baseball' over an inner circle, or someone's ear, goes back all the way to the days of tribal government."

From its sports context comes its political or professional denotation: minute savored by the boss, out-of-sight, remaining unnoticed by avoid fans, accompanied by rumors about next year's activities, are called the "Hot Stove League."

In politics, candidates who say they want to discuss larger issues look down their noses at the journalists and think-tankers who devote their questions about campaign techniques, fund-raising plans and poll results. To them, *inside baseball* has a pejorative connotation that the phrase never had in the baseball world. There, out-of-sight, remaining unnoticed by avoid fans, accompanied by rumors about next year's activities, are called the "Hot Stove League."

**COMING UP** Fast on the outside is a synonym for *inside baseball* from the sport of kings. A horse race has long had a sense of "hard-fought competition," but when the word *steeple* is added, a new sense is born: emphasis on the who's-ahead, out-of-sight, remaining unnoticed by avoid fans, accompanied by rumors about next year's activities, are called the "Hot Stove League."

In 1984, Gerald Warren, editor of The San Diego Union, told a journalism audience that "some say the horse race is the story."

In 1988, Irvin Molotky, reporter for The New York Times, wrote that the definition of *inside baseball* is "reporter's reported gossip, wrote horse race stories, that concentrated on who was ahead and put 'this and that' education." In this criticism, the Republican Senate minority leader repeated the charge of President Jimmy Carter late in the 1980 campaign that horse racing contributed to voter apathy.

"Few stories are easier," wrote David Shaw in the Los Angeles Times in 1986, "to write — or read — than the horse race story: who's ahead and why." He was referring not to politics, but to the newspaper coverage of television news competition. "There is now a horse race almost every week in the evening news ratings."

New York Times Service

**PERSONAL MESSAGES**

WANT THE SACRED HEART OF JESUS in spirit, love, devotion, through the world and for the world. Since the theme of the congress is the Mediterranean, the cookery writer Claudia Roden has also been asked to speak on the cuisine of the 16 countries that border the sea.

**ANNOUNCEMENTS**

TO OUR READERS VISITING FROM THE U.S.

**THE HIT IS NOW AVAILABLE IN KEY U.S. CITIES ON DATE OF ISSUE**

**ANNOUNCEMENTS**

Now printed by satellite transmission in the U.S. International Herald Tribune offers a new way to read the paper. After a one-time investment of \$100, you can receive the paper in your home or office, wherever you live. No subscription necessary. Call for details.

**UP TO 52 FREE ISSUES**

When you subscribe to the International Herald Tribune, you get 52 free issues of the Daily Edition.

**MAIL FORWARDING FROM US**

While working, studying or traveling abroad, you can have the paper delivered to your home or office. Forwarding is available for all countries. Call for details.

**AT&T**

The right choice. Call us for more information.

**LOS ANGELES SOCIAL CONCIERGE**

Tour guides, body guards, social companions, limousine service.

**ELAN INTERNATIONAL**

213 274-3454

**USADIRECT**

CALLS THAT START FROM CITIES WITH USADIRECT SERVICE

**THE WORLD WITH ONE CALL**

INTERNATIONAL

**HEAVENLY AMERICAN SPORTSFANS!**

ARE YOU STARVING FOR REAL SPORTS?

**UNITED KINGDOM**

0800-89-0011

**REAL ESTATE FOR SALE**

FRENCH PROVINCES

**IDEAL PIED-A-TERRES**

16th AVE. ROCH

**NEVEU 47.43.96.96**

**FOUR WINDS**

INTERNATIONAL MOVING BY THE LARGEST WORLDWIDE FLEET

## INTERNATIONAL CLASSIFIED

**MOVING**

**MOVE Plus**

**REAL ESTATE FOR SALE**

PARIS & SUBURBS

**REAL ESTATE TO RENT/SHARE**

SWITZERLAND

**REAL ESTATE TO RENT/SHARE**

HOLLAND

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**REAL ESTATE TO RENT/SHARE**

PARIS AREA UNFURNISHED

**AUTO RENTALS**

PARIS ALL INCLUSIVE PRICES

**LOW COST FLIGHTS**

ACCESS VOYAGES

**TRANSO**

FOR MORE THAN 12 YEARS EUROPE'S LARGEST SHOWROOM

**HOLIDAYS & TRAVEL**

SCOTLAND & LONDON

**LEGAL SERVICES**

U.S. DIVORCE IN 31 DAYS

**FOR SALE & WANTED**

SILVER POLYMER TABLE 2

**POSITIONS WANTED**

VERSATILE NEW DEBS

**EMPLOYMENT**

EXECUTIVES AVAILABLE

**INTERNATIONAL BUSINESS MESSAGE CENTER**

AMERICAN PRODUCTS

**BUSINESS OPPORTUNITIES**

CASH BUYER

**BUSINESS OPPORTUNITIES**

OFFSHORE COMPANIES

**BUSINESS SERVICES**

SWISS TRUSTS & LAWYERS

**BUSINESS SERVICES**

INTERNATIONAL OFFSHORE CORPORATION INCORPORATIONS

**BUSINESS SERVICES**

PORTUGAL

**BUSINESS SERVICES**

CARDIOVASCULAR SURGERY

**BUSINESS SERVICES**

FINANCIAL SERVICES

**BUSINESS SERVICES**

GENEVA